VOL 18 No 6 JUNE 1988

SURVEY of Current Affairs

Government and Administration

Recent Legislation 187

Fair Employment in Northern Ireland 187

Shorter Notes
Crime Prevention 190; Community Service 190

External Affairs and Defence

East-West Relations: Moscow Summit 191

North Atlantic Treaty Organisation 193

Britain's Defence Policy 195

Falkland Islands Economy 202

Commonwealth Development Corporation 203

Shorter Note
The Crown Agents 204

Economic and Scientific Affairs

Agricultural Policy 205

Coal: the Private Sector and Opencast Production 206

Copyright, Designs and Patents Bill 208

Shorter Notes
Inward Investment 211; Venture Capital 211;
Girobank Privatisation 212; Job Training 212;
Increased Incentive Payments for Storm-Damaged Woodland Replanting 212; Department of Trade and Industry Research Establishments 213; Eurolaser Project 213

Social and Cultural Affairs

Shorter Note
Broadcasting Standards Council 214

Documentation 215

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NOTE

The term 'Britain' is used informally in the *Survey of Current Affairs* to mean the United Kingdom of Great Britain and Northern Ireland. 'Great Britain' comprises England, Wales and Scotland.

Recent Legislation

The public Acts of Parliament passed between the end of March and the end of May are listed below.

Coroners Act 1988. Consolidates the Coroners Acts 1887 to 1980 and certain related enactments. Royal Assent: 10.5.88. Ch 13, ISBN 0 10 541388 7, HMSO, £4·30.

Duchy of Lancaster Act 1988. Extends the leasing powers of the Chancellor and Council of the Duchy of Lancaster. Royal Assent: 3.5.88. Ch 10, ISBN 0 10 541088 8, HMSO, 50p.

Employment Act 1988 (see pp 377-8, 1987). Royal Assent: 26.5.88. Ch 19, ISBN 0 10 541988 5, HMSO, £5·90.

Farm Land and Rural Development Act 1988 (see pp 414-15, 1987). Royal Assent: 10.5.88. Ch 16, ISBN 0 10 541688 6, HMSO, £1·60.

Immigration Act 1988 (see pp 395-6, 1987). Royal Assent: 10.5.88. Ch 14, ISBN 0 10 541488 3, HMSO, £2·20.

Licensing Act 1988. Allows public houses to open during the afternoon from Monday to Saturday. Royal Assent: 19.5.88. Ch 17, ISBN 0 10 541788 2, HMSO, £3·40.

Matrimonial Proceedings (Transfers) Act 1988. Empowers the High Court to transfer to county courts certain matrimonial proceedings. Royal Assent: 19.5.88. Ch 18, ISBN 0 10 541888 9, HMSO, 50p.

Merchant Shipping Act 1988 (see pp 68-70). Royal Assent: 3.5.88. Ch 12, ISBN 0 10 541288 0, HMSO, £8·30.

Public Utility Transfers and Water Charges Act 1988 (see pp 271-3, 1987). Gives water authorities powers to prepare themselves for privatisation and restructuring. Royal Assent: 10.5.88. Ch 15, ISBN 0 10 541588 X, HMSO, £3·00.

Regional Development Grants (Termination) Act 1988 (see p 60). Royal Assent: 3.5.88. Ch 11, ISBN 0 10 541188 4, HMSO, 90p.

Fair Employment in Northern Ireland

Government proposals to strengthen and broaden Northern Irish legislation outlawing discrimination in employment on the grounds of religious belief and political opinion were published in a White Paper in May and legislation will be introduced at the earliest opportunity.

Announcing the publication of the White Paper[1] on 25 May, the Secretary of State for Northern Ireland, Mr Tom King, said that the key features of the legislation would be compulsory monitoring by employers as the basis for affirmative action measures where necessary; the outlawing of indirect as well as direct discrimination; use of the criminal as well as the civil law in enforcement; support of good practice by the Government; and the reorganisation of the existing Fair Employment Agency into a new Commission with increased resources.

Background

The Northern Ireland Constitution Act 1973 prohibited any discriminatory action by public bodies and established the Standing Advisory Committee on Human Rights to advise the Secretary of State for Northern Ireland on the adequacy and effectiveness of anti-discrimination law. Religious and political discrimination in employment was outlawed by the Fair Employment (Northern Ireland) Act 1976 and the Fair Employment Agency was established with extensive investigative, quasi-judicial, conciliation and enforcement functions. In particular the Agency was given power to investigate practices and patterns of employment and to issue legally enforceable directions. In addition a guide on manpower policy and practice was published by the Government in 1978.

In 1985 the Government completed a statistical review which showed that, despite almost ten years of anti-discrimination legislation and enforcement, the Catholic community remained at a serious disadvantage in employment in both quantitative and qualitative terms; that this obtained throughout Northern Ireland (including areas of relatively high employment); and that it persisted despite progress towards greater equality in educational attainment between the Protestant and Catholic communities.

[1] *Fair Employment in Northern Ireland.* Cm 380. HMSO, £4·50. ISBN 0 10 103802 X.

Following this review a consultative paper on equality of opportunity in employment was published in 1986 in which a number of policy options were put forward for public discussion. This was followed in 1987 by the publication of a new and more comprehensive guide on the effective practice of religious equality of opportunity in employment, designed to assist employers to improve their employment practices so as to avoid unintentional or indirect discrimination (see pp 311-12, 1987). In addition the Government agreed to consider a report on fair employment being prepared by the Standing Advisory Commission on Human Rights before deciding on the details of its own legislation. The Commission's report was published in October 1987 (see p 314, 1987).

Having considered this report and comments from the Agency and others, the Government published outline proposals in March 1988, indicating that they would be detailed in a White Paper. It also launched a new Fair Employment Support Scheme for private sector employers with more than 25 employees, providing employers with free professional advice on how to implement the best practice recommended in the Government's guide (see p 94).

The Government's commitment to the policy of equality of opportunity in relation to its own employees and those seeking employment in government service was reaffirmed in a policy statement issued in 1984. There is an Equal Opportunities Unit within the Northern Ireland Civil Service, and comprehensive monitoring arrangements have been introduced. The Unit has also put its experience at the disposal of other bodies in the public sector. It is expected that by the end of 1988 the bulk of the public sector will be either operating, or well on the way to introducing, monitoring systems in support of an equal opportunities policy.

THE WHITE PAPER

The White Paper says that there are clear and long-standing differences between the employment experiences of the Catholic and Protestant sections of the community in Northern Ireland and that unemployment rates are significantly higher among Catholics, who also hold relatively few senior positions. Although unemployment and disadvantage also affect Protestants, the most serious disadvantage is concentrated among Catholics. Whereas one in five Protestant families depends on supplementary social security benefit and over a quarter receive housing benefit, the figures for Catholics are one in three and over two in five respectively.

Noting that discrimination in employment is one element contributing to the relatively high disadvantage in employment affecting many Catholics, the White Paper says that this is by no means the sole or even the main explanation. The 1987 Standing Advisory Commission on Human Rights report had found some evidence for the view that such factors as educational attainment, demography and a range of social and economic factors also contributed to the disadvantage suffered by Catholics. Moreover, says the Government, discrimination in employment does not only affect the Catholic community, even though allegations of discrimination against Protestants are less frequently heard. In addition discrimination – in the sense of creating disadvantage – is very often unintentional, for it is quite possible for employment practices and policies to produce a different impact in practice even though they are not designed with any discriminatory intent. The White Paper emphasises the need to identify and tackle the factors that produce an unjustifiable impact on a particular group. 'It is one of the chief aims of the new legislation . . . that effective methods be available for tackling unintentional discrimination as well as deliberate discrimination.'

Government Objectives

The overall objective of the Government is that there should be equality of opportunity in employment for all sections of the community. It believes that it is wrong that anyone's employment prospects should suffer on account of his or her religious background, that fair employment has a part to play in building a more united community, that fair employment will help to broaden opportunities for people in areas of high unemployment and that it will help to encourage inward investment. Appointment to jobs, emphasises the White Paper, 'should always be solely on merit, without regard to religious affiliation or belief and in accordance with the obligation not to discriminate'.

In selecting the best person for the job or promotion, employers need to assess merit according to the actual requirements of the job, job-related personnel criteria and potential ability as well as past experience. The White Paper adds: 'It also requires the development of a wider framework of employment practices which give every individual a genuinely equal opportunity to apply and compete for employment . . . appointment on merit must operate in the context of an overall programme of affirmative action; it must not be used as a rationale for a sectarian personnel policy, or as a cloak behind which unfair practice can be hidden.'

Institutional Changes

Under the Government's proposals the Fair Employment Agency will become the Fair Employment Commission, which will continue to undertake investigations, to review practices and patterns in employment and, where necessary, to issue directions which will be enforceable on employers. The Commission will not have responsibility for adjudicating on individual cases of alleged discrimination which will be dealt with by a Fair Employment Tribunal, although it will be able to give general advice to any individual about anti-discrimination law and about how a case can be pursued. It will also be able to give direct support to a complainant, including the provision of legal representation if it thinks there are special reasons to do so, if the case raises a question of principle or if the case is very complex. The Tribunal will consist of a legally qualified president supported by two lay members with practical industrial relations experience.

The procedures and general approach of the new Fair Employment Tribunal will be similar to industrial tribunals generally. There will be statutory provision for a pre-hearing questionnaire to assist complainants to gather the information they need to

have in order to decide whether or not to bring a case to the Tribunal, and the information obtained will be admissible in proceedings. Although there will be no obligation on an employer to provide information, the Tribunal will be able to draw whatever inference it thinks fit if the employer fails to do so or replies evasively.

Having heard a case the Tribunal will issue a reasoned judgment explaining why it has reached its conclusion, thereby helping to establish a body of case law. In addition the Fair Employment Commission will be able to give publicity to significant cases where it feels that a point of principle has been established. Appeals from the Tribunal will be allowed on points of law and will be considered by the Court of Appeal.

The Fair Employment Tribunal will hear appeals by employers against directions issued by the Fair Employment Commission in pattern and practice cases. If a direction is not complied with, the Tribunal will have the power to issue Orders of Compliance on the application of the Commission. It will be the final arbiter on such issues although there will be appeals on points of law to the Court of Appeal. An Order of Compliance would be enforceable at the instigation of the Fair Employment Commission by an application to the High Court to exercise its contempt jurisdiction, which could involve committal, or unlimited fines, or both.

Responsibility of Employers

Noting that it is not sufficient simply to avoid discrimination, the White Paper says that employers 'must take positive steps to ensure that their practices open out their employment opportunities to the widest possible range of applicants' and that this responsibility cannot be discharged 'unless they know what is actually happening in their workforce and can evaluate the impact of personnel practices on the composition of their workforce'.

The Government therefore proposes that employers should be placed under a statutory obligation to monitor the religious composition of their workforce and that these monitoring returns should be submitted annually to the Fair Employment Commission. These obligations will apply to all public sector employers and to private sector employers with more than ten employees (25 for a limited transitional period of two years). These employers will have to register with the Commission. This will entitle the employer to receive a Certificate of Co-operation confirming that he is co-operating with the Commission in the discharge of statutory obligations. Failure to register will be a summary criminal offence as will the failure to submit monitoring returns and to update them annually.

The information provided by monitoring, says the White Paper, will enable employers to see the current situation in their labour forces and the trends developing within them, thereby giving them a basis for considering whether changes in practices might be necessary to afford equality of opportunity and assessing the impact such measures have. The information will also allow the Commission to carry out a desk audit of any individual firm or business sector and assess patterns and trends in the employed workforce as a whole.

On the method of monitoring, the Government recommends classification by the employer, on the basis of a statement by the job applicant or employee, of the name and address of the primary school he or she attended, since historically most schools have been attended in practice mainly by Protestant pupils or mainly by Catholic pupils. Although this could well change and there are some integrated schools, data on the school attended 'can be regarded as an acceptable and objective method of establishing perceived religious affiliation in respect of the vast majority of employees'.

The Government says that the most important reason for imbalances in the labour force is unintentional and indirect discrimination; this will become illegal. Examples of such practices are word of mouth recruitment procedures, habitual contacts only with certain certain schools or colleges, or traditional preferences for certain types of experience which are not job related. One of the reasons for monitoring would be to bring such unintended effects to light and then to correct them.

Affirmative Action

In order to ensure equality of opportunity employers will need to consider programmes of affirmative action to promote a more representative distribution of employment in the workforce and to give all sections of the community full and equal access to job opportunities. This would involve 'broadening the geographical and social catchment area from which they draw and . . . removing any unnecessary obstacles which are preventing a wider range of applicants from coming forward'.

In addition, suggests the White Paper, employers could introduce special 'outreach' training to facilitate the access of an under-represented section of the community (whether Protestant or Catholic), end the display of flags and emblems likely to give offence, broaden their schools contacts to ensure applications from both communities, and end any requirements for specific educational qualifications not absolutely necessary for the job to be done. Employers will be given statutory backing for 'outreach' measures.

The Government believes that it would be wrong to legalise the use of quotas, that is the reservation of a set proportion or number of jobs for particular individuals or members of a particular group. As such, quotas would involve discrimination in favour of under-represented groups and against individuals from other groups. They could also debar the best qualified candidates simply because of their religion. 'The Government rejects quotas as being wrong in principle and divisive and counter-productive in practice.'

Code of Practice

The new Code of Practice will be the responsibility of the Fair Employment Commission and will occupy a central position in the new system. The Code will be a source of advice to all employers and a compendium of measures on which the Commission will be able to draw in securing voluntary undertakings from employers and, where necessary, in imposing directions regarding affirmative action programmes.

The Code, says the Government, will be the standard by which employers' practice will be judged; it will contain measures on which the Commission will be able to draw in formulating directions, and the Fair Employment Tribunal will have regard to the Code in considering whether employers may have discriminated against any individual who may complain to it. The Tribunal will also be required to have regard for the Code when considering any appeals against Commission directions or a request from the Commission for an Order of Compliance.

Although in the first instance employers would decide which parts of the Code best fitted their particular circumstances, it would be possible for any of its provisions to be made compulsory in any particular case if incorporated in a direction issued by the Commission. 'In that event the measures selected by the Commission will become binding on the employer to whom the Direction is issued. In effect they will then comprise a mandatory affirmative action programme which the employer will be obliged to carry out.'

The Government envisages that the Code will build on and develop the material in the existing guide. It will explain the aims and philosophy of fair employment and the new legislation; give guidance on equality of opportunity and appointment on merit; summarise the responsibilities of employers; give detailed examples of good practice in recruitment and promotion procedures; and show how to avoid indirect discrimination. It will also explain the purpose and nature of monitoring, and set out a range of affirmative action procedures including the appropriate usage of 'outreach' training, goals and timetables and the encouragement of a non-sectional and neutral political atmosphere in the workplace. In addition, the Code will deal with the responsibilities of trade unions and the ways in which they can contribute to the promotion of equality of opportunity and explain the contribution that employees can make to the process.

Shorter Notes

CRIME PREVENTION

A new national independent crime prevention organisation, Crime Concern, was launched by the Home Secretary, Mr Douglas Hurd, on 23 May.

Crime Concern is designed to help communities fight crime by promoting the best methods of crime prevention and will work closely with the private sector to channel new funds and resources into this area. It will undertake a number of practical initiatives including identifying the best practice in local crime prevention, raising and distributing funds for local projects, monitoring research and establishing an information and advice service as well as a register of crime prevention initiatives.

The new organisation is being financed by a mixture of Government and private sector money and the Government hopes that its financial needs will increasingly be met by the private sector.

Speaking at the launch, Mr Hurd said that millions of people were already actively involved in crime prevention (including 50,000 neighbourhood watch schemes covering 3 million households) and that Crime Concern would tap this reservoir of public goodwill to ensure the growth of innovative ideas. In particular, Crime Concern would be able to alert the business community to the valuable contributions it could make and the benefits that could result for itself, its employees and the neighbourhoods in which businesses were situated. Mr Hurd added: 'Crime prevention should be an essential part of daily routine for the whole community. By making it second nature to consider crime prevention possibilities and weaknesses, the scope of the typical opportunistic, selfish and thoughtless petty offender can be drastically reduced.'

Sources: Press notices from Crime Concern, 23.5.88.

COMMUNITY SERVICE

National standards for community service orders imposed on offenders convicted of imprisonable offences have been issued for discussion.

Under a community service order, the offender is required to work under the supervision of the probation service for not less than 40 and not more than 240 hours. If the offender fails to comply with the order, he or she may be prosecuted and either fined or re-sentenced for the original offence.

The aim of the proposed national standards is to ensure that orders make consistently stiff demands on offenders and that offenders do work seen to be of use to the community.

The standards govern the type of work to be done by offenders, the way hours worked are reckoned, performance and behaviour, and the action to be taken if the offender fails to comply with the requirements of the order. Most offenders would spend at least 21 hours doing manual work in a group placement with other offenders, weekly reports would be required on the work done, and those reporting for work under the influence of drugs or alcohol would be sent home and might be liable to breach of order proceedings In addition an offender absent from work twice without a satisfactory explanation would have to be taken back to court unless a senior probation officer decided that he or she could be given one further chance.

Commenting on the proposed new standards, Mr John Patten, a Minister of State at the Home Office, said: 'These standards are intended to toughen up community service. We want the courts and the public to be confident that offenders given community service orders will not find them a soft or easy option and will repay the community for the damage they have done. I think it will be particularly apt if offenders do work . . . to improve the appearance of neighbourhoods, including those which they themselves have damaged or vandalised.'

It is expected that the standards will come into force on 1 January 1989.

Source: Home Office press notice, 31.5.88.

East-West Relations: Moscow Summit

Britain has welcomed the outcome of the May-June Moscow meeting between the United States President, Mr Ronald Reagan, and the General Secretary of the Soviet Communist Party, Mr Mikhail Gorbachev.

At the Washington summit in December 1987 Mr Reagan and Mr Gorbachev signed the Intermediate Nuclear Forces (INF) Treaty and discussed other arms control issues, human rights and regional problems (see pp 9-11). At the conclusion of their summit, they agreed in a joint statement that they would meet again in Moscow in the first half of 1988. They also agreed that they would work towards the completion of other arms control understandings, and in particular conclude a treaty reducing strategic nuclear weapons by 50 per cent which could be ready for signature during the Moscow visit.

MOSCOW SUMMIT

During his five-day visit to Moscow (29 May-2 June), Mr Reagan discussed arms control, human rights, regional issues and bilateral co-operation with Mr Gorbachev. On 1 June, they exchanged the INF Treaty which was ratified by the US Senate on 27 May and by the Supreme Soviet Presidium on 28 May. The US Secretary of State, Mr George Shultz, and the Soviet foreign minister, Mr Eduard Shevardnadze, signed two arms control agreements. The first, an agreement on the advance notification of tests of intercontinental and submarine-launched ballistic missile (ICBM/SLBM) launchers, is designed to reduce the risk of misinterpretation, miscalculation or accidental war through the use of nuclear risk reduction centres,[1] to be set up following a US-Soviet agreement made in September 1987. The second laid out the details of a joint verification experiment, which would be a step towards the verification of the 1974 Threshold Test Ban Treaty and the 1976 Peaceful Nuclear Explosions Treaty (see p 199). This agreement will allow each country to use its own preferred approach to measure the yields of nuclear tests in experiments to be made at the other's nuclear test sites later in 1988. A number of other bilateral agreements on co-operation were signed during the summit, covering cultural exchanges, search and rescue operations at sea, the peaceful uses of atomic energy and of space, and transport research and technology.

While the President was in Moscow, he also saw a group of Soviet dissidents and Jewish *refuseniks* (see pp 161-2), met church leaders and made speeches to students at Moscow University and to Soviet writers, artists and film-makers, when he spoke of human rights, including the need for individual freedom and liberty in religion and culture. Before returning to the United States, Mr Reagan spent two days in London, where he briefed the Prime Minister, Mrs Margaret Thatcher, on the results of the summit and made a speech at the Guildhall on 3 June.

Joint US-Soviet Statement

In a joint statement issued on 2 June President Reagan and Mr Gorbachev said that the summit was an important step in the process of putting US-Soviet relations on a more productive and sustainable basis. While accepting that serious differences remained on important issues, they considered that the frank dialogue which had developed between the two countries remained critical to the resolution of these differences, and had resulted in a better understanding of each other's positions.

Both leaders welcomed the progress made in various areas of US-Soviet relations since the Washington summit and expressed their determination to redouble efforts where work had still to be done. They also reaffirmed their conviction that a nuclear war could not be won and should never be fought, their determination to prevent any conventional or nuclear war between the United States and the Soviet Union and their disavowal of any intention to achieve military superiority. While not minimising the real differences of history, tradition and ideology which would continue to characterise US-Soviet relations, they believed that the expanding political dialogue would endure because it was based on realism and was focused on the achievement of concrete results.

Arms Control

The two leaders welcomed the entry into force of the INF Treaty. Noting that a joint draft treaty on strategic arms reductions and limitation had been elaborated, they said that the United States and the Soviet Union had been able to record extensive and significant areas of agreement as well as to identify the areas of disagreement. Negotiations continued on a separate agreement concerning the 1972 Anti-Ballistic Missile (ABM) Treaty, with progress on an associated protocol, including the agreement to use nuclear risk reduction centres to transmit relevant

[1]These centres are to be set up in Washington and Moscow and are designed to reduce the possibility of an accidental outbreak of war by providing prompt exchange of information on the military activities of the two countries. They will supplement the 'hot lines' set up between Moscow and London, Paris and Washington, and a series of agreements on the prevention of accidental nuclear war concluded between 1963 and 1971.

information. The ABM Treaty (and its 1974 protocol) limit the Soviet Union and the United States to deploying only a restricted number of ABM systems on one site. Other treaty limitations concern the development, testing and deployment of other types of IBM systems (see p 12 fn, 1985).

On the draft treaty on strategic arms, based on the establishment of ceilings of no more than 1,600 offensive delivery systems and 6,000 warheads, agreement had been reached on the counting rules for deployed ICBM and SLBM warheads and for heavy bombers' armaments. The two sides had also prepared draft verification documents, based on the INF Treaty's provisions and extended and elaborated to meet the more demanding requirements of a strategic nuclear arms treaty. These measures would, at a minimum, have to cover exchanges of data on the number and location of weapon systems and the location of facilities for their production, final assembly, storage, testing and elimination, and inspections to check data exchanges. Verification measures would also include on-site observation of missile elimination, continuous on-site monitoring and short-notice on-site inspection. During the Moscow summit, the joint statement said, more common ground was achieved, particularly in the areas of air-launched cruise missiles and the attempts to develop and, if possible, agree on a solution to the problem of verification of mobile ICBMs. The two leaders expressed their confidence that the extensive work done would provide the basis for a strategic arms treaty, and it was agreed as a matter of principle that the treaty would be signed without delay once the remaining problems had been solved.

Mr Reagan and Mr Gorbachev reaffirmed their commitment to conduct step-by-step negotiations on nuclear testing.[1] Once agreement on effective verification measures had been achieved that would allow the ratification of the 1974 and 1976 threshold treaties, the two powers would proceed to negotiate further intermediate limitations on nuclear testing, leading to the ultimate objective of the complete cessation of nuclear testing as part of an effective disarmament process. The joint statement emphasised that this process, among other things, 'would pursue, as the first priority, the goal of the reduction of nuclear weapons and, ultimately, their elimination'. The two leaders also noted with satisfaction that the joint verification experiment agreement had been signed (see p 191).

Reaffirming their conviction that universal adherence to the Non-Proliferation Treaty (see pp 291-3, 1985) was important to international peace and security, Mr Reagan and Mr Gorbachev called on states not party to the treaty to join or to make an equally binding commitment under international law to forego acquisition of nuclear weapons and prevent their proliferation.

In their discussion on the negotiations for a comprehensive, verifiable and global ban on chemical weapons, the two leaders expressed concern over the growing problem of their proliferation and use.[1] While noting the progress already achieved in the talks and the difficult problems regarding monitoring of a global ban and the non-use of dual-capable chemicals for chemical weapons, they underlined the need for concrete solutions to the problems of ensuring effective verification and undiminished security for all participants to a convention. They also emphasised the need to ensure the participation in the convention of all countries possessing and capable of having chemical weapons. Condemning the spread and illegal use of chemical weapons in violation of the 1925 Geneva Protocol,[2] they called on all nations capable of producing chemical weapons to institute stringent export controls to inhibit proliferation.

Emphasising the importance of strengthening stability and security in the whole of Europe, the two leaders welcomed progress being made in the talks for a mandate for new negotiations on armed forces and conventional armaments, and also expressed their hopes for an early and balanced conclusion of the Vienna Conference on Security and Co-operation in Europe (see pp 347-9, 1986). The full implementation of the provisions of the Stockholm agreement on confidence- and security-building measures (see pp 317-19, 1986), they said, could also significantly increase openness and mutual confidence.

Human Rights and Humanitarian Concerns

Mr Reagan and Mr Gorbachev noted that the US-Soviet dialogue should seek 'to maximise assurance of the rights, freedoms and human dignity of individuals; promotion of people-to-people communications and contacts; active sharing of spiritual, cultural, historical and other values; and greater mutual understanding and respect between the two countries'. They discussed the possible establishment of a forum in which people from across the range of their two societies could be brought together regularly. Already steps had been taken to establish the exchange of information and contacts between legislative bodies of both countries, as well as discussions between legal experts, physicians and representatives from other professions and from non-governmental organisations directly involved in human rights matters.

Regional Issues

In a wide-ranging discussion on regional questions, the President and the General Secretary expressed their satisfaction with the Geneva accords on an Afghanistan settlement (see pp 164-6). They agreed that, although there were serious differences in the assessment of the causes of regional tensions and

[1]US-Soviet negotiations on nuclear testing resumed in November 1987. In 1980 British-Soviet-US talks on a comprehensive test ban agreement adjourned largely because of difficulties on compliance and verification. A British proposal in 1984 that these issues be examined by a working group from the Geneva Conference on Disarmament was rejected by the Soviet Union. Another British proposal, on seismological verification, was tabled at Geneva in 1985 (see pp 229-30, 1985).

[1]During the Iran-Iraq war, Iraq has used chemical weapons on Iran. After the most recent attack in May 1988, the United Nations' Security Council passed a resolution banning the use of chemical weapons in the conflict and requested Security Council members to take practical steps to prevent these weapons being deployed again. Earlier attacks were also condemned by the President of the UN Security Council (see p 254, 1987). Britain has made a number of initiatives at the 40-nation Conference on Disarmament at Geneva during negotiations on a convention banning chemical weapons, the latest being in July 1987 (see pp 255-6, 1987).

[2]While the Geneva Protocol, which now has 100 parties, bans the use in war of chemical, as well as biological (bacteriological), weapons, it does not ban their possession.

the means to overcome them, these differences need not be an obstacle to 'constructive interaction' between the United States and the Soviet Union. They also reaffirmed their intention to continue US-Soviet discussions aimed at helping parties to regional conflicts find peaceful solutions which would advance their independence, freedom and security. The importance of helping the United Nations and other international institutions to contribute to the resolution of these conflicts was emphasised as well.

US-Soviet Affairs

The two leaders welcomed a number of bilateral agreements that had been concluded, including co-operation in the science and technology of transport, maritime search and rescue; co-ordination between US and Soviet radionavigation systems in the northern Pacific and the Bering Sea; and the peaceful uses of atomic energy. The start of bilateral discussions on combating drugs trafficking was also welcomed. Noting the expansion of exchanges in education, science, culture and sport, Mr Reagan and Mr Gorbachev agreed that people-to-people contacts and exchanges between non-governmental organisations were increasing significantly and were now 'one of the most dynamic elements in the bilateral relationship'. Other areas of co-operation included environmental protection, health and agriculture, as well as space exploration for peaceful purposes and work in the Arctic.

LONDON VISIT

Speaking at the Guildhall, London, on 3 June, President Reagan said that Britain and the United States and their allies had made enormous sacrifices for 44 years to keep the NATO Alliance strong and its military forces ready. In the 1980s, they had started a new strategy involving freedom, public candour about the moral and fundamental differences between statism and democracy and rigorous diplomacy. The Alliance also rejected both the inevitability of war and the permanence of totalitarian rule, and sought treaties in order to recognise and resolve fundamental differences with its adversaries. The pursuit of this policy was now bearing fruit, he stressed, and if the barriers of the post-war era were beginning to be taken down, it was because of the steadfastness of the NATO allies, especially in the 1980s. Referring to voices which had insisted on unilateral nuclear disarmament, proposed nuclear freezes and opposed the INF deployment, Mr Reagan pointed out that it was the much-maligned 'double-zero' option which provided the basis for the INF Treaty. The INF Treaty, developments in Afghanistan and changes in the Soviet Union were momentous events. On Mr Gorbachev's policies of *glasnost* (openness) and *perestroika* (restructuring), Mr Reagan said that in all aspects of Soviet life the talk was of progress towards democratic reforms, reforms that would give individuals more freedom to run their own affairs, and to control their own destinies.

British Views

Responding at the Guildhall to Mr Reagan's speech, Mrs Thatcher said that Britain warmly congratulated Mr Reagan and Mr Gorbachev on a very successful summit, which would bring them closer to the more stable and peaceful relations between East and West that they all wanted to see. The President's words in Moscow on human rights 'will have shone like a beacon of hope for all those . . . who are denied their basic freedoms', she said. He had also successfully negotiated the first reduction in nuclear weapons and had changed attitudes and perceptions about what was possible, 'not by bowing to the wishes and whims of others, but by standing firm in [his] beliefs'.

In an interview given to Soviet television and radio on 7 June, Mrs Thatcher said that Britain had been very pleased with the outcome of the Moscow summit and that the series of discussions between the two leaders had been very positive and had brought new hope to the world. The time for negative attitudes had passed and trust and confidence had to develop through contacts and implementation of agreements. Britain believed that a new chapter of history was beginning and that this was due to the firmness and convictions of President Reagan, and to Mr Gorbachev who had a vision for the future of the Soviet Union and the determination to bring this about. The Prime Minister said that the United States and the Soviet Union were both right to negotiate very carefully on disarmament agreements since both had to be satisfied that they would work.

North Atlantic Treaty Organisation

At a meeting in Madrid in June, members of the North Atlantic Council of the North Atlantic Treaty Organisation welcomed the results of the Moscow summit, including the entry into force of the Intermediate Nuclear Forces Treaty, and supported the progress made towards an agreement to reduce strategic nuclear weapons.

The North Atlantic Council was preceded by meetings of the Defence Planning Committee (on 26 and 27 May) and the Nuclear Planning Group (on 28 April).

NORTH ATLANTIC COUNCIL

The following communiqué (slightly abridged and with headings added) was issued by the North Atlantic Council of the North Atlantic Treaty Organisation (NATO) on 10 June.

Final Communiqué

East-West Relations

At their meeting in Brussels on 2 and 3 March 1988, [see pp 95-9] *the Heads of State and Government of the Alliance reaffirmed its guiding principles and stressed their determination to continue working for the advancement of our common ideals and goals. It was in this spirit that at our meeting in Madrid we reviewed the international situation and the challenges and opportunities before us, taking into account recent positive developments.*

Guided by our desire for a more peaceful and secure state of international affairs, we have con-

tinued since the Alliance Summit to consider the broad spectrum of issues concerning East-West relations and security, including arms control and the existing military force relationship. Against that background we discussed:

– the current situation in and prospects for Eastern Europe;

– the need for a substantial and balanced outcome of the CSCE [Conference on Security and Co-operation in Europe] *Follow-up meeting in Vienna* [see pp 159-62], *at an early date, including significant progress on human rights and human contacts, and mandates for negotiations on conventional stability and confidence- and security-building measures* [see p 199 fn]; [and]

– our continuing commitment to share equitably the risks, burdens and responsibilities, as well as the benefits, of our common endeavour, and the need to renew our efforts to maintain, under evolving circumstances, a fair partnership, mindful of the structure of the Alliance.

We welcome the results of the Summit meeting in Moscow between President Reagan and General Secretary Gorbachev, both for their substance and as a portent for the future development of East-West relations [see pp 191-3]. *We welcome the unprecedented prominence accorded to human rights in the joint statement of the Summit, and hope that a more forthcoming Soviet attitude will also be reflected in the CSCE concluding document. We support the progress recorded towards an agreement on a 50 per cent reduction in United States and Soviet strategic nuclear weapons, and stress the importance we attach to this objective in seeking security at lower levels of armaments. We welcome the entry into force of the INF* [Intermediate Nuclear Forces] *Treaty as an important step in our search for effectively verifiable arms control agreements in accordance with the declarations of our Heads of State and Government.*

The North Atlantic Council in Permanent Session has continued its consideration of the further development of the Alliance's comprehensive concept of arms control and disarmament as called for in the Statement issued in Reykjavik in June 1987 [see pp 230-2, 1987]. *The Secretary General reported on the progress of this work and we look forward to receiving a written report at our next meeting in December.*

Afghanistan

We welcome the beginning of Soviet troop withdrawals from Afghanistan after over eight years of occupation. We hope that the Geneva Accords [see pp 164-6] *mark the start of a process which will enable the Afghan people to exercise their right to self-determination and enable their country to recover its full sovereignty and independence.*

Berlin

The maintenance of calm and stability in and around Berlin and the improvement of conditions there, as envisaged in the current Berlin initiative, remain key elements in East-West relations.[1] *As the EC's* [European Community] *European City of Culture for 1988, Berlin is again demonstrating its vitality and attractiveness.*

[1]The Berlin initative is a list of proposals by the United States designed to help overcome the physical effects of the division of the city, including the expansion of air services and its use for international meetings, cultural events and sport.

DEFENCE PLANNING COMMITTEE

Meeting in Brussels on 26 and 27 May, defence ministers of the NATO Defence Planning Committee stressed that the need for all Alliance members to share the roles, risks and responsibilities as well as the benefits of collective defence was fundamental to the success of NATO policies. Although it would not be an easy task, especially with regard to the provision of resources, to sustain the credibility of Alliance defence, ministers were determined to play their part in improving collective defence and ensuring that each member would contribute in the most effective and equitable manner. The shared interest between North America and Europe in maintaining peace and security in the North Atlantic area, and the undiminished presence of North American forces in Europe as the concrete manifestation of this shared interest, remained central to NATO's strategy of deterrence and defence.

Ministers had noted statements by Soviet leaders which suggested that changes were taking place in Soviet doctrine and force structures, but they saw no visible effect on the size and structure of Soviet forces which were deployed far in excess of defensive needs. The continuing growth of Soviet military capabilities provided a persuasive reminder of the need for credible defence, and ministers reaffirmed that flexible response and forward defence, based on an appropriate mix of adequate and effective nuclear and conventional forces, were vital to Alliance security.

Ministers said that, to mitigate disparities between NATO and Warsaw Pact conventional forces and to avoid undue reliance on the early use of nuclear weapons, they would pursue their plan to improve conventional forces vigorously (see p 227, 1985). They stressed the need for broader participation by Alliance members in providing increased assistance to Greece, Portugal and Turkey to strengthen their conventional defences.

NUCLEAR PLANNING COMMITTEE

Discussing the commitments made at the NATO summit in March (see pp 95-9), defence ministers emphasised at their meeting on 28 April that for the foreseeable future nuclear forces would continue to play an integral role in providing for deterrence against all forms of aggression and that their presence in Europe was essential. While reaffirming the need to maintain a credible nuclear deterrent at the minimum level of weapons (NATO has reduced the number of its nuclear weapons to the lowest level in twenty years (see pp 419-20, 1983)[1]) defence ministers also confirmed that the NATO forces remaining after the INF Treaty had to be sufficient to withstand a nuclear attack, and structured in an adequate and balanced way. The INF Treaty, ministers stressed, would not prevent the Soviet Union from continuing its efforts in modernising and improving its other forces, including conventional and chemical forces,

[1]NATO's stockpile of short-range nuclear warheads has been reduced by 2,400 since 1979.

and the nuclear forces not covered by the Treaty. Nevertheless, defence ministers expressed the hope that the INF Treaty indicated a fundamental and lasting change in Soviet policies towards a constructive and more stable political as well as military situation between East and West.

BRITISH VIEWS

At a press conference after the North Atlantic Council on 10 June, the Foreign and Commonwealth Secretary, Sir Geoffrey Howe, said that, with the exchange of the INF Treaty (p 191), it was more important to tackle purposefully the next items on the arms control agenda. The reduction of strategic nuclear arms was a matter for bilateral negotiation between the United States and the Soviet Union, but NATO members – collectively and individually – had a particular responsibility to move forward the negotiations on a worldwide ban on chemical weapons and conventional arms reductions in Europe. On the negotiations in Vienna on a 'mandate' (terms of reference) for talks on the latter, Sir Geoffrey said that the Alliance had to 'move with greater sense of urgency to agree a detailed position'. Alliance ministers, he continued, had noted with interest indications of a new and possibly more constructive Soviet approach.[1] 'If these . . . foreshadow a real willingness to remove the kind of obstacles that blocked the MBFR [Mutual and Balanced Force Reduction in Europe] talks, that could only be welcome, but the proof of the pudding will be in the negotiating.' The Foreign and Commonwealth Secretary pointed out that the mandate talks were part of the wider CSCE picture, and this meant that progress had got to be made in all the areas of co-operation in the 1975 Helsinki Final Act, in particular human rights and human contacts (see pp 159-62). Further improvements had to be registered in these areas before the Vienna Conference could be brought to a close.

On the question of defence burden-sharing, Sir Geoffrey said that the European contribution was sometimes underestimated in the United States, since Europe provided 90 per cent of the forces in place on the European front, and some of the European allies were making a major contribution out-of-area in the Gulf (see pp 201-2). However, he recognised that there was a need for a greater responsibility on the part of Europeans for the defence of Europe.

Britain's Defence Policy

Britain's commitment to continue the North Atlantic Treaty Organisation's policy of deterrence based on a mix of nuclear and conventional weapons was reaffirmed in the 1988 defence White Paper, published in May.

[1]A Soviet proposal on a phased reduction of European conventional forces, made by the Soviet foreign minister, Mr Eduard Shevardnadze, on 8 June during the United Nations' third special session on disarmament in New York, included the elimination of imbalances and asymmetries in conventional arms (first stage), a reduction of 500,000 troops by each side (second stage) and further reductions of offensive forces (third stage).

Defence Secretary's Statement

Introducing the White Paper[1] at a press conference in London on 17 May, the Secretary of State for Defence, Mr George Younger, emphasised that Britain was pursuing a consistent and clear defence policy involving a firm commitment to the North Atlantic Treaty Organisation (NATO) while seeking dialogue with the East. The signing of the Intermediate Nuclear Forces (INF) Treaty (see pp 9-11) was a major achievement of the Alliance in 1988 and would not have been possible had not NATO been united and firm in maintaining its deterrent strength. This had an important lesson for the task of maintaining security in a changing world.

There had been important changes in the international scene in the last few years, Mr Younger continued, including a welcome improvement in the atmosphere of East-West relations, with Soviet leaders expressing a new and less aggressive attitude in the public statements regarding their relations with the rest of the world. However, there were important cautionary notes in the White Paper, the Defence Secretary emphasised, and the West would have to look at Soviet actions for hard evidence that the 'new political thinking' of the Soviet leader, Mr Mikhail Gorbachev, really represented 'a genuine and lasting shift in Soviet policy towards the West'. As there had been no diminution in the Soviet Union's programme of modernisation of its armed forces, including its strategic nuclear, INF, conventional and chemical weapons, the message of the 1988 White Paper was that the West should continue to maintain deterrence, while pursuing arms control priorities that would meet its most pressing security concerns.

THE WHITE PAPER

Maintaining Security

The improvement in the atmosphere of East-West relations continued during 1987, the White Paper says. The Alliance's security policy led to the INF Treaty, the first ever negotiated reduction in nuclear weapons. This agreement was the result of the political courage, realism and unity of NATO members: Soviet leaders were brought to the conference table only because NATO deployed, in the face of much opposition, limited numbers of INF missile systems comparable to those already deployed by the Soviet Union (see pp 418-20, 1983). Unilateral gestures could never have achieved the same result. During 1987, the confidence- and security-building measures agreed at the Stockholm Conference in 1986 (see pp 317-19, 1986) were also introduced successfully, while progress was made in other arms control negotiations, particularly on US-Soviet strategic nuclear weapons.

The West also began to see signs of change in the Soviet Union where Mr Gorbachev had set in train a series of wide-ranging reforms, while arguing the need for 'new political thinking' in the nuclear and space age and stressing the growing interdependence of the countries of the world community. This 'new thinking', the White Paper says, 'acknowledges

[1]*Statement on the Defence Estimates 1988.*
Vol 1. Cm 344-I. HMSO, £5·60. ISBN 0 10 103442 3.
Vol 2 (Defence Statistics). Cm 344-II. HMSO, £5·80. ISBN 0 10 103443 1.
A booklet, *British Defence Policy 1988-89*, was also published.

that there is more to security than military might and that Soviet security cannot be maintained on terms that inevitably mean insecurity for others'.

Britain has welcomed these reforms, the White Paper continues: 'More open internal policies, which bring the Soviet people more information about their own country and the world outside, are self-evidently desirable. And more pragmatic, less aggressive, external policies ought to make the Soviet Union a less uncomfortable neighbour.' However, while the prospect of a sustained change in the Soviet Union was a challenge the West had to accept, the West also had to see hard evidence that the new thinking represented a genuine and lasting shift in Soviet policy towards the West and not merely the presentation and execution of old policies. Progress in arms control, for example, had to be matched by steps in human rights (see pp 159-62), and it was too early to tell whether the Soviet preparedness to withdraw from Afghanistan (see pp 164-6), while welcomed, heralded a new approach to regional conflicts.

The Soviet Union's military modernisation programmes are being continued, the White Paper points out, including the replacement of most of its nuclear force by the mid-1990s with new or modernised systems, the modernisation of its theatre nuclear forces (which will, even if the INF Treaty is implemented, continue to enjoy a huge numerical advantage over NATO) and the deployment of improved shorter-range systems. Soviet forces have substantial advantages over NATO in conventional arms, have chemical warfare capabilities unjustified by any comparable threat from the West, and have a capability for offence and surprise. There is no reason to believe that the Soviet Union wants war in Europe, but, on the other hand, it has not been reluctant to exploit the threat or use of force to achieve political ends. Its avowed aim of removing all nuclear weapons from Europe, the White Paper stresses, would expose the West to superior conventional and chemical forces, which could be used in attempts to impose Soviet will.

Soviet Military Doctrine

In an essay on Soviet military doctrine, the White Paper says that, while in the West the term 'military doctrine' generally refers only to tactical principles and regulations, the Soviet concept is both systematic and more comprehensive; it is applied throughout the Warsaw Pact as the military element of Marxist-Leninist doctrine, encompassing the whole spectrum of the state's planning for war, including the preparation of the population, the organisation of the economy and the principles of foreign policy.

Soviet concepts for the use of armed forces have changed over the past 40 years, the essay says: under Joseph Stalin, a conflict was considered to be a rerun of the Second World War, involving protracted land campaigns fought by ground forces and conventional weapons, with nuclear weapons only being an extension of traditional artillery and aerial bombardment. Later, Nikita Khrushchev thought that strategic nuclear missiles would be decisive in their own right, so that conventional forces would be required mainly to exploit their success and occupy territory. In the mid-1960s, it was accepted that there might be an initial conventional phase to any future war, and since there was a need to build up conventional forces the Soviet Union has invested heavily in recent years in developing an ability to wage a successful war in Europe without necessarily having to use nuclear weapons.

This offensive capability, the White Paper continues, characterises the operational art and structure of Warsaw Pact forces, emphasising surprise and deception regarding the time of the Soviet offensive and the prevention of a stable defence; speed, to disrupt the defence and to prevent effective counter-measures; and concentration, to achieve local superiority. Other aspects in Soviet thinking include operations deep into NATO territory to bring about a simultaneous collapse of NATO's front and rear areas, and air superiority, aimed at neutralising NATO's theatre nuclear forces.

The Soviet Union also continues to maintain and improve its nuclear weapons which could be launched in retaliatory or pre-emptive strikes. In addition, it has chemical weapons which could be used separately from, and possibly in advance of, nuclear release. The essentially defensive purpose of these offensive tactics has long been stated in Soviet military doctrine. None the less, the effect has been to create in Eastern Europe a force that remains structured, equipped and trained for offence and surprise. The Warsaw Pact thus has a capability that could be used for aggressive purposes if Soviet intentions should change, without the necessity for any action to be taken that might signal such a change. This offensive capability lies at the root of NATO's concerns for the security of Western Europe. The apparent wish of the Warsaw Pact's leaders to reach an agreement on conventional forces in Europe is welcome, the essay concludes, but their simultaneous assertion that a broad parity in total capability between East and West already exists has to be measured against the existing imbalance of forces in favour of the Warsaw Pact.

The NATO Response

Against this background, NATO has reaffirmed the vital link between the European and North American allies, the crucial role of the US strategic deterrent and of the presence of effective and up-to-date nuclear weapons in Europe, and a willingness to seek dialogue and further arms control agreements with the Warsaw Pact (see pp 95-9). In particular, there could be no alternative to the Alliance's policy of deterrence based on an appropriate mix of adequate and effective nuclear and conventional forces, to be kept up to date where necessary.

NATO's deterrent policy, the White Paper continues, is based on the strategy of forward defence and flexible response. Although conventional forces are an important element in this strategy, the West has to retain a nuclear capability to deter an adversary with nuclear weapons from using or threatening to use them. The nuclear deterrent is also needed to avoid conventional war in Europe, since modern conventional weapons would bring destruction on an unprecedented scale. Although the achievement of conventional parity would make an important contribution to enhancing international security, this cannot be relied on to prevent aggression: 'For the foreseeable future, only nuclear weapons will be

able to confront a potential aggressor with risks so unacceptable that aggression is no longer a rational option.'

Forward Defence of Europe

In an essay, the White Paper discusses NATO's policy of forward defence of Europe, which involves maintaining large ground and air forces in the Federal Republic of Germany and providing for the success of operations in the Norwegian Sea, in north Norway and the Baltic Approaches and on the southern flank. The policy dates from 1950, when the North Atlantic Council agreed to resist any attack on Alliance territory as far to the east as possible, this decision reflecting the commitment made by signatories of the North Atlantic Treaty in 1949 to defend all the territory of the Alliance.

Forward defence is not an aggressive strategy, the essay points out: Western leaders have stated that NATO forces would never be used except in response to an attack and that they do not have the capability to mount an offensive to seize Eastern Europe. The aim of the Alliance, however, is to maintain sufficient forces to contribute to deterrence by demonstrating its determination to resist aggression. If deterrence should fail, the aim would be to compel the Warsaw Pact to reinforce its forward forces before attacking; this would provide early warning of the Warsaw Pact's intentions, enabling NATO to reinforce to its full strength and creating a breathing space in which efforts could be made to defuse the crisis. If a conventional attack did occur, NATO would try to defend its territory for as long as possible without recourse to nuclear weapons.

There are three interrelated elements to the forward defence of Europe: to counter any aggression across the border into the Federal Republic of Germany; the forward deployment of NATO's maritime forces to contain Soviet naval forces as far to the north as possible to reduce the threat of surface and submarine forces to NATO countries and their trans-Atlantic and Channel lines of communication; and, on the flanks, the timely arrival of reinforcements to secure Alliance defence, provide a defence against Soviet air forces, attack Soviet ground forces and destroy follow-on forces.

The numerical superiority of Warsaw Pact forces and its own reliance on reinforcements provide the chief problems facing NATO, the essay continues. North American and British reinforcements and their equipment would have to arrive by sea and only 25 per cent of Alliance forces deployed in the Federal Republic of Germany are based within 50 km of their intended defensive positions. The Warsaw Pact, by contrast, can reinforce its own forces relatively easily. Nevertheless, the essay says, deployed NATO forces would provide an essential component of flexible response, and would help avoid undue reliance on early use of nuclear weapons. They would also give a clear signal to the Soviet Union that aggression would instantly involve forces not only from the Federal Republic but also from the United States and other NATO allies. While the United States continues to contribute to forward defence in Europe the Soviet Union could be in no doubt that any attack would involve a superpower confrontation and the risk of escalation to a nuclear exchange.

The European Pillar

The contribution of the European members of NATO to the defence of the West is substantial, these having increased their defence expenditure by one-third in real terms since the early 1970s. They provide some 90 per cent of the manpower, 85 per cent of the tanks, 95 per cent of the artillery and 80 per cent of the combat aircraft stationed in Europe, as well as 70 per cent of the major warships readily available in the event of a conflict. Their standing forces total some 3·5 million personnel, compared with 2·65 million maintained by the United States.

The European allies' aim is to make better use of the substantial resources devoted to the Alliance by more effective co-operation in defence and security matters. In 1987 the revitalised Western European Union (WEU)[1] helped to concert contributions by member states to mine-clearance operations in the Gulf; it also published a statement, *Platform on European Security Interests,* which sets out how the seven members intend to contribute to NATO's future security and provides a basis for harmonising West Europe's defence effort in support of the Alliance (see pp 355-6, 1987). Bilateral defence co-operation among European allies is also being strengthened: Britain and France, for example, discussed proposals for greater bilateral military co-operation during a summit in January 1988, including the development of existing plans for wartime reinforcement using French facilities and the scope for closer French involvement in the forward defence of the Federal Republic of Germany.

East-West Balance

Conventional Balance

The signing of the INF Treaty further highlighted the importance of tackling the disparities in conventional forces in Europe between NATO and the Warsaw Pact, the White Paper says. The Warsaw Pact continues to have a sizeable numerical superiority in military forces: on the Central Front,[2] the Warsaw Pact has 960,000 soldiers, 17,000 main battle tanks, 12,000 anti-tank guided weapons, 10,000 artillery and 2,550 aircraft. In contrast, NATO has 790,000 soldiers, 8,100 tanks, 7,300 anti-tank guided weapons, 3,100 artillery and 1,250 aircraft. Between the Atlantic and the Urals,[3] the Warsaw Pact has 4 million soldiers, 51,000 tanks, 37,500 artillery and 7,700 aircraft. NATO (including France and Spain) has 3 million soldiers, 17,000 tanks, 10,600 artillery and 4,300 aircraft.

The Warsaw Pact's forces have also been modernised, with technological advances reducing the superiority of NATO equipment. New equipment includes the T-80 tank and the BMP-2 armoured infantry combat vehicle, which benefit from improved mobility, firepower and armoured protection. Stocks of self-propelled artillery and tactical

[1]The WEU, created in 1954, was revitalised in 1984 to provide further impetus towards European defence and security co-operation (see pp 251-2, 1984).

[2]The Central Front covers Belgium, the Netherlands, Luxembourg, and the Federal Republic of Germany in the West, and Poland, Czechoslovakia and the German Democratic Republic in the East.

[3]The forces in this area include those from 14 NATO countries in Europe and those of the six Warsaw Pact countries and the 11 Soviet military districts lying west of the Ural Mountains. France and Spain do not participate in NATO's integrated military structure, although their forces are included in the balance.

surface-to-surface missiles, as well as the short-range ballistic missiles such as the SS21, capable of delivering conventional warheads with greater accuracy, have increased. The Warsaw Pact's capability for close air support has been enhanced by having more helicopters and ground-attack aircraft. Its hardened command, control and communications systems, together with improved computer data-processing and fire-control systems, are now comparable to Western systems, the White Paper also points out.

The conventional maritime balance shows that the Warsaw Pact has 225 surface ships, 220 conventional submarines and 1,350 naval aircraft deployed in the North Atlantic, the Baltic and the Black Sea. Although NATO has 370 surface ships, 190 conventional submarines and 1,950 aircraft, the White Paper explains that the conventional wisdom, applicable to land warfare, requiring an attacker to outnumber a defender is reversed, since to protect the Alliance's reinforcement and resupply lines NATO has to have proportionately larger numbers of surface escorts, hunter-killer submarines and aircraft than the Warsaw Pact needs to threaten them.[1]

Nuclear Forces

The White Paper says that there is a rough parity between the United States and the Soviet Union in the numbers of strategic nuclear delivery systems. However, it stresses that it is difficult to estimate the number of warheads actually carried by each system, and that the nuclear forces of both sides are asymmetric: for example, the Soviet Union has placed more reliance on 1,385 intercontinental ballistic nuclear missiles (ICBMs), and has three times the missile throw-weight[2] of the United States' 1,000 ICBMs. On the other hand, the United States has the advantage in having all its submarine-launched ballistic missiles (SLBMs) carrying independently targetable warheads, which, although less accurate than ICBMs, are virtually invulnerable to a first strike. Only 388 of Soviet Union's 942 SLBMs are independently targetable. The United States has more strategic bombers (375) than the Soviet Union, which has 150.

As for the balance in longer-range intermediate nuclear forces with ranges of between 1,000 km and 5,500 km deployed in Europe from the Urals westward, the Soviet Union had, at the end of 1987, 794 nuclear warheads in 308 missiles (of which 243 were SS20s, each carrying three nuclear warheads) as against NATO's 429 single-warhead cruise and Pershing 2 missiles. The Soviet Union has also 350 aircraft compared with the 144 aircraft deployed by NATO. On the balance of INF systems with ranges between 500 km and 1,000 km, the White Paper says that, although the Warsaw Pact refuses to disclose how many of its aircraft are capable of carrying conventional and nuclear weapons, it is estimated that a total of 3,200 Warsaw Pact aircraft would be able to deliver nuclear weapons, and that many of these could carry air-to-surface missiles fitted with conventional or nuclear warheads with ranges up to several hundred kilometres. The number of NATO aircraft with a nuclear role is 700. The Warsaw Pact also has more SS23 and Scaleboard missile launchers (121) than the Alliance (72 Pershing 1).

The Warsaw Pact's superiority is even greater in short-range systems with a range of less than 500 km and sometimes known as battlefield weapons; it has 1,400 missile launchers compared with NATO's 90. The East is also deploying improved nuclear-capable artillery, which could total 6,800 systems. (NATO's dual-capable artillery numbers 2,500 systems.)

Chemical Warfare

The Soviet Union's chemical warfare capability, improved in recent years, represents a serious threat to NATO, the White Paper says in a separate essay. The appalling and indiscriminate effects of chemical weapons have been seen in the Iraq-Iran war, but the effects of having to protect troops in the battlefield are less understood. British forces are equipped with a range of protection against chemical weapons, but their fighting capacity could be reduced by up to 50 per cent if they had to fight in the equipment for very long periods. In contrast, a potential aggressor, who would know when he intended to attack and with what kind of agent, would have the advantage of being able to operate without protection until it was actually needed. Consequently, conventional defence would become more difficult and, in the absence of a credible Western chemical weapon deterrent, the early use of nuclear weapons would become more likely.

Britain, the White Paper emphasises, has had no chemical weapons since the late 1950s and has no plans to change this policy. The United States halted production of chemical weapons in 1969 while retaining a limited retaliatory capability. The West's restraint has not been matched by the Soviet Union, and the United States has begun a modernisation programme to replace its own stocks with binary weapons stationed on US territory. This modernisation programme will underline to the Soviet Union the benefits of a negotiated ban, which Britain and its NATO allies are committed to concluding. In the absence of such an agreement, the White Paper stresses, the US capability will help to maintain the NATO strategy of deterrence through flexible response.

Arms Control

Intermediate Nuclear Forces

An INF agreement has long been a NATO priority, the White Paper says. The INF Treaty (ratified at the end of May[1]) provides for the elimination of all US and Soviet ground-launched missiles with a range between 500 km and 5,500 km. It involves the destruction of 400 US and 1,700 Soviet warheads, so ending a huge asymmetry in favour of the Soviet Union. Britain, as one of the five European countries in which US INF systems are based, is directly involved in the implementation of the Treaty, includ-

[1]Of the NATO forces, 120 surface ships, 55 conventional submarines and 650 aircraft are based in North America.

[2]Throw-weight is the weight of a missile's warhead(s) deliverable over a given range.

[1]On 27 May, the US Senate voted by 93 to 5 to ratify the INF Treaty; the Supreme Soviet Presidium in the Soviet Union ratified the agreement the following day.

ing the inspection procedures in the agreement's 'highly intrusive verification measures'.[1]

Strategic Nuclear Arms

Another NATO arms control priority is an agreement on strategic offensive weapons, the White Paper continues. In the negotiations on a 50 per cent reduction in strategic nuclear missiles it was agreed at the Washington summit in December 1987 that the treaty should include ceilings of 6,000 strategic nuclear warheads and 1,600 delivery vehicles; sub-ceilings of 4,900 ballistic missile warheads and 1,540 heavy ballistic missile warheads; and an intrusive verification system, allowing the right of on-site inspection. The White Paper points out that a number of important issues still have to be resolved, including the treatment of mobile land-based missiles and sea-launched cruise missiles, rules to count air-launched cruise missiles and links with ballistic missile defence research [for example, the strategic defence initiative (SDI)] and the 1972 Anti-Ballistic Missile (ABM) Treaty.

Britain's approach on SDI, the White Paper says, is based on its 1984 and 1986 agreements with the United States (see pp 11-12, 1985, and p 385, 1986). These state that the SDI research programme, permitted by the ABM Treaty, should continue; that the US and Western aim is not to achieve superiority but to maintain balance, taking account of Soviet developments; that SDI-related deployment would have to be a matter for negotiation; that the overall aim is to enhance, not undermine, deterrence; that East-West negotiations should aim to achieve security with reduced levels of offensive systems on both sides; and that these matters should continue to be subject to close consultation within the Alliance. Britain believes that it is vital to the West's defence that it should be at the forefront of new technology and able to respond to the comparable and very considerable Soviet programme.[2]

In November 1987 the United States and the Soviet Union began further negotiations on nuclear testing, with the aim firstly to develop verification arrangements that would allow ratification of the US-Soviet Threshold Test Ban Treaty and the Peaceful Nuclear Explosions Treaty.[3] Although Britain supports the principle of progress towards a comprehensive nuclear test ban, it also takes the view that nuclear weapons will form part of the Western strategy of deterrence for the foreseeable future. In the absence of a comprehensive ban, the White Paper says, Britain will continue to take all necessary measures, including periodic testing at the minimum level, to ensure that its deterrent remains credible.

[1]The other basing countries are Belgium, the Federal Republic of Germany, Italy and the Netherlands.

[2]In November 1987 Mr Gorbachev, interviewed by the US television company NBC, said that the Soviet Union was engaged in basic research related to those aspects covered by SDI in the United States and that it was 'practically doing everything that the United States is doing'.

[3]The first treaty, signed by the United States and the Soviet Union in 1974, bans all underground nuclear tests above 150 kilotons; the second (1976) treaty extends the 1974 thresholds to all individual nuclear test explosions and imposes a new threshold of 1,500 kilotons for all group explosions. They have not been ratified by the United States, although both parties have agreed to abide by the constraints.

Conventional Arms Control

The confidence- and security-building measures agreed at the Stockholm Conference in 1986 have worked well, the White Paper says. In December 1986, Britain and other participants carried out the first exchange of annual calendars of planned notifiable military activities. During 1987 observers were invited to 15 NATO and Warsaw Pact exercises (two involving British forces, with British observers attending three others), and five on-site inspections to resolve doubts about compliance with the agreement took place (one by Britain of a Soviet exercise).

NATO's aims in future conventional arms control negotiations, the White Paper says, include both the establishment of a stable, secure and verifiable level of forces in the whole of Europe from the Atlantic to the Urals, aimed at eliminating disparities and reducing capabilities for surprise attack and large-scale offensive action, and further negotiations on confidence- and security-building measures. Britain has played a leading role in the discussions over mandates for these negotiations.[1] Although the Soviet Union has now acknowledged its superiority in tanks and the need to deal with asymmetries where they exist, it has not recognised the overall superiority of the Warsaw Pact's conventional forces; it is essential, the White Paper emphasises, for both sides to provide data on force levels and to discuss the question seriously if progress is to be made towards an agreement. In the negotiations on Mutual and Balanced Force Reductions in Vienna, the Warsaw Pact also has yet to respond to NATO's December 1985 proposals, which included an offer that an agreement on the size of each side's forces be deferred while an initial reduction in US and Soviet forces is made first (see p 376, footnote 2, 1985).

Chemical Weapons

Britain remains committed to a global and comprehensive ban on the development, production and stockpiling of chemical weapons, and is playing a leading role in the negotiations at the Conference on Disarmament in Geneva (see pp 255-6, 1987). Although these have been dominated by Western initiatives and proposals, the White Paper says, the Soviet Union has been responding more positively in the last two years, in particular, to Britain's initiative on challenge inspection in 1986 (see pp 260-2, 1986). In August 1987 the Soviet foreign minister, Mr Eduard Shevardnadze, announced that the Soviet Union would support a provision for mandatory challenge inspection in a chemical weapons convention, for which the British proposals could form a basis. However, other important and complex issues still have to be resolved, the most crucial and difficult being verification. The Soviet Union has become more open about its chemical warfare capabilities, and has acknowledged, for the first time, that it has chemical weapons stocks, although its claim to possess no more than 50,000 tons of

[1]Two sets of negotiations were proposed by NATO in December 1986 to cover confidence- and security-building measures and conventional stability in the whole of Europe from the Atlantic to the Urals; the first would involve the 35 countries participating in the Stockholm Conference on Confidence- and Security-building Measures and Disarmament in Europe, the second (in Vienna) the 23 countries of NATO and the Warsaw Pact.

toxic agents is significantly below Western estimates.

Future Objectives

In June 1987 (see pp 230-2, 1987) NATO ministers agreed that the INF Treaty should be an important element in a coherent and comprehensive policy of arms control and disarmament, including a 50 per cent reduction in US and Soviet strategic offensive nuclear weapons, the global elimination of chemical weapons and the establishment of a stable and secure level of conventional forces in the whole of Europe. Ministers also concluded that, in conjunction with the establishment of a conventional balance and the elimination of chemical weapons, tangible and verifiable reductions of US and Soviet land-based, shorter-range nuclear missiles, leading to equal ceilings, could be considered.

Although the INF agreement is a major achievement, the White Paper says, it does not obviate the need for effective deterrence. Britain's position on the role of its nuclear deterrent in strategic negotiations remains that, if Soviet and US strategic arsenals were to be substantially reduced and if no significant changes occurred in Soviet defensive capabilities, Britain would want to consider how it could best contribute to arms control in the light of the reduced threat. However, US and Soviet reductions would have to go much further than 50 per cent before the British deterrent could be included in the negotiations: even after such a reduction and the introduction of Trident, the British deterrent would still represent a smaller proportion of Soviet strategic nuclear warheads than did Polaris when it entered service in 1970.

The priority in strategic arms negotiations is reductions in US and Soviet nuclear arsenals, which are far greater than the forces of the other nuclear weapons states – amounting to 95 per cent of the worldwide total. A 50 per cent reduction would not undermine either NATO or Soviet strategies but would, through its political effect, significantly enhance stability. It would not be possible, however, to move towards greater stability in Europe while the Warsaw Pact superiorities in conventional and chemical forces remained. Britain believes that there should be no negotiations about further reductions of nuclear weapons in Europe until the imbalance of conventional forces in Europe has been redressed and a ban on chemical weapons achieved.

Britain's Main Defence Roles

Most of Britain's forces are committed to carrying out four main roles in NATO, the White Paper says: these are the maintenance of an independent strategic nuclear deterrent through the Royal Navy's four Polaris submarines; the defence of Britain; the defence of the European mainland; and maritime defence of the seas about Britain.

Nuclear Defence

Since 1969 Britain's strategic nuclear deterrent has been provided by four nuclear-powered submarines, armed with Polaris ballistic missiles, at least one of which is on patrol at all times. These vessels are to be replaced by the Trident missile-carrying submarines in the 1990s. In addition, nuclear weapons are carried by theatre nuclear-capable forces, comprising nine squadrons of Tornado GR1 and two squadrons of Buccaneer aircraft based in Britain and the Federal Republic of Germany, and by the Royal Navy's Sea Harrier aircraft and ship-borne anti-submarine helicopters which, together with RAF Nimrod maritime patrol aircraft, can deliver both conventional and nuclear weapons. There are also one regiment of Lance surface-to-surface missiles and four regiments of nuclear-capable artillery operated by the Army in the Federal Republic.

Defence of Britain

The RAF, assisted by the Royal Navy, is responsible for air defence of Britain and the surrounding seas, while both services help to keep open resupply routes across the Atlantic. The mine countermeasures ships of the Royal Navy and the Royal Naval Reserve combat the mine threat to ports and coastal waters. Over 100,000 ground forces, including the Home Service Force, the Royal Auxiliary Air Force Regiment and elements from the Territorial Army and from the Royal Navy and Royal Marines, have the task of protecting vital military bases and installations.

Air defence of Britain is the subject of an essay in the White Paper. The strategic position of Britain would ensure that, in the event of a major conflict between East and West, the destruction of Britain's air defences would be among the enemy's first priorities in its efforts to seek air superiority. To deal with the threat posed by long-range bombers, some equipped with stand-off weapons, a sophisticated system of layered defences is being developed, involving an improved United Kingdom Air Defence Ground Environment system; the seven Boeing E-3 early-warning aircraft (from 1991); and seven Tornado F3 squadrons (the first two of which were formed in 1987), supported by two Phantom squadrons – all armed with Skyflash medium-range and Sidewinder short-range air-to-air missiles; Bloodhound surface-to-air missiles; and, finally, airfield-based Rapier missiles and radar-directed Oerlikon guns. In addition, passive measures such as hardened shelters and the dispersal of key assets would help to reduce the damage inflicted.

Defence of the European Mainland

Ground and air forces, stationed on the continent, contribute to the forward defence of NATO and fulfil Britain's commitments under the modified 1954 Brussels Treaty (see pp 402-4, 1984). The main component of these is the British Army of the Rhine (BAOR), consisting of a corps of three divisions (including armour, infantry, artillery and air defence units) responsible for the defence of a 65-km stretch of the Central Front. Other ground forces, such as Britain's contribution to the joint amphibious force with the Netherlands for use in the northern region and the contribution to the Allied Command Europe Mobile Force for use on either the northern or the southern flank, are ready for rapid deployment from Britain to reinforce these flanks in times of tension. The RAF's transport force also contributes to this capability. The main role of the 15 squadrons of RAF Germany would be to carry out long-range attacks against enemy airfields and lines of communi-

cation, while also providing air defence, tactical reconnaissance, close air support for the Army, and logistic and tactical air transport. Other forces, not assigned to NATO, are maintained in Berlin and Gibraltar.

Maritime Defence

In the defence of the Eastern Atlantic and the Channel, British naval and air forces make a significant contribution to forward defence in the Norwegian Sea and to maritime operations in the Atlantic and shallow seas, mainly to protect the British strategic deterrent and reinforcements and resupply shipping. Britain has the largest navy among its European allies, contributing some 70 per cent of the ships available in these areas with the ability to deploy early at a time of tension or war.

The Armed Forces

The Royal Navy

The strength of the Royal Navy in April 1988 included 4 Polaris submarines, 16 nuclear-powered Fleet-type submarines and 11 other submarines; 3 anti-submarine warfare carriers; two assault ships; 13 guided-missile destroyers; and 38 frigates (including 13 of the Type 22 class). There are also 42 mine-counter-measures ships (including minesweepers and minehunters), as well as patrol, support, and survey ships. The programme to modernise Britain's conventional naval forces includes the final three Trafalgar-class Fleet submarines which are being built or undergoing trials, as are the first four of the Upholder-class conventionally-powered patrol submarines, the first of which is to enter service in 1988-89. The Government is committed to maintaining an escort force of about 50 frigates and destroyers; tenders for up to four more Type 23 frigates have been invited, in addition to the four already on order, and four Type 22 frigates are being built. Orders for four more Sandown-class single-role minehunters were placed in 1987 as part of the continuing modernisation of the Navy's mine counter-measures ships.

The Army

New equipment now entering service with the Army, the White Paper emphasises, represents a major advance in its operational capabilities, increasing the mobility and firepower of the infantry and mechanised units, improving the artillery's indirect fire capability and providing protection against a wide range of chemical and conventional threats from the air. It includes Challenger main battle tanks for a fifth regiment, a battalion's supply of Warrior mechanised infantry combat vehicles and three battalions' supply of Saxon armoured personnel carriers. Other new equipment includes the SA80 infantry weapon and the S10 respirator and battlefield thermal-imaging equipment, while the LAW80 man-portable anti-tank weapon is also entering service. A third air defence regiment equipped with the new Starstreak high-velocity missile will be formed while the existing towed Rapier air-defence missile is being replaced by the advanced Rapier 2000. Other major new equipment in the next few years will include the multiple-launched rocket system and the Phoenix remotely-piloted air vehicle.

The Royal Air Force

A major equipment modernisation programme is continuing, the White Paper says. An extra Boeing E-3 airborne early warning aircraft has been added to the six already ordered, and this will provide the RAF with the capability to mount continuous airborne early-warning patrols (see pp 21-2, 1987). A contract for 34 more Harrier GR5 aircraft has been placed, in addition to the 62 already on order. These aircraft will be a substantial improvement over the existing GR3 model. Formed in 1987 were the first two squadrons of Tornado F3, equipped with Foxhunter radar. Also orders were placed for the Boxer 2 communications system, which will provide a secure nationwide communications system using new fibre-optic technology. The programme to equip Tornado GR1 with the advanced anti-radar missile was confirmed.

Northern Ireland

The Army is deployed in Northern Ireland to support the Royal Ulster Constabulary (RUC) in combating terrorist violence (see pp 132-3). While 85 per cent of the responsibility for the military element of security is borne by the Ulster Defence Regiment (UDR), ten Army infantry units are deployed in support of the RUC. An additional brigade headquarters is to be established in the border areas to improve counter-terrorist capability. In addition, the Royal Navy carries out patrols to prevent arms smuggling and the RAF provides a wide range of air-support tasks. During 1987, 11 soldiers were killed, including eight from the UDR, and 101 were injured. At the same time, nearly 470 people were charged with serious offences (including 28 with murder) and nearly 680 people were convicted of terrorist-related offences. Some 267 weapons and almost 20,000 rounds of ammunition were seized, and ten tonnes of explosives were found or neutralised, the highest total since 1976.

Out-of-area Commitments

Britain continues to keep permanent garrisons in the Falkland Islands (see p 134), Hong Kong, Belize, Brunei and the Sovereign Base Areas of Cyprus. The level of forces in the Falkland Islands, although under regular review, remains unchanged. In 1997 the sovereignty of Hong Kong will revert to the People's Republic of China; as that time approaches decisions on the phased withdrawal of the British garrison will be taken in consultation with the Hong Kong Government.

The programme of military assistance overseas in 1986-87 included over 600 servicemen on loan to countries outside NATO, while over 3,700 students from such countries attended military training courses in Britain. Britain also provided contingents to the Multinational Force and Observers in the Sinai and the United Nations (UN) forces in Cyprus, as well as logistic support to UN forces in Cyprus, in Lebanon and on the Golan Heights.

In addition, a continuous Royal Navy presence has been maintained in the Gulf and the Indian Ocean since the start of the Iraq-Iran war in 1980, to protect merchant ships owned or registered in Britain and to underscore the principle of freedom of navigation in international waters (see pp 253-5, 1987). Since 1987, at any one time, six frigates or

destroyers, with a support ship, have been either on patrol, on passage or working up prior to deployment. Four Hunt-class mine counter-measures ships were also deployed in the area following the discovery of mines off the United Arab Emirates, a force reduced to three in February 1988. Britain provides logistic support for other European countries which also have a naval presence in the area, and this European co-ordination is the result of close and continuing consultation under the auspices of the Western European Union.

Procurement

More than £8,240 million – or 43 per cent of the total defence budget – is to be spent on equipment during 1988-89: about 33 per cent is for air equipment, nearly 31 per cent for sea equipment and more than 18 per cent for land equipment; the remainder is directed to general support (13 per cent) and research (4 per cent). About 75 per cent of the equipment budget goes to British industry (making the Ministry of Defence British industry's largest customer), and defence procurement in Britain supports some 350,000 jobs, directly or indirectly. With equipment expenditure having fallen from its recent peak, the White Paper underlines the need to get the best value from the available resources. To further this, a more commercial approach to procurement, including improved internal procedures and greater flexibility allowed to industry, and increased collaboration with allies are being adopted. The proportion by value of contracts let on a competitive basis has risen from 38 per cent in 1983-84 to 53 per cent in 1986-87, while the Ministry of Defence also encourages the widest possible range of companies to compete for defence business.

The main multilateral fora for equipment collaboration within the Alliance are the Independent European Programme Group (IEPG), which is responsible for developing co-operation within Europe, and the Conference of National Armaments Directors, which promotes co-operation throughout the Alliance. In the IEPG, Britain is also taking part in 17 out of 20 co-operative technology programmes. Current collaborative equipment projects include the production of the Harrier GR5 (with the United States) and Tornado (with the Federal Republic of Germany and Italy), and the development of the EH101 helicopter (with Italy). Britain has also been involved in the discussions with other European allies on the European Fighter Aircraft (see p 166), and is proceeding with France and the Federal Republic of Germany to develop a new anti-tank guided weapon.

Contracts for defence sales signed in 1987 are expected to reach £3,500 million. As for British participation in the strategic defence initiative, some 65 US-funded contracts and sub-contracts had been placed with British firms by February 1988, to a value of $60 million.

The Defence Budget

The defence budget for 1988-89 is £19,215 million, with the planned provisions for 1989-90 and 1990-91 being £19,950 million and £20,560 million respectively. As a percentage of gross domestic product, Britain's defence budget continues to be among the highest in NATO, after the United States and Greece. On current inflation forecasts, defence expenditure will now run at a broadly level provision throughout the 1988-89/1990-91 period. Despite the extra resources available, the White Paper emphasises the need to pursue efficiency and value for money to the greatest possible extent.

The cost of the Trident programme is estimated to be £9,043 million, representing a fall in real terms of £1,038 million compared with the original 1982 estimate. The cost of elements of the programme to be procured from the United States is now estimated to be some 36 per cent of the total. Two Trident submarines are already being constructed, and when the programme reaches its peak in 1990, by which time the other two boats will have been ordered, some 27,000 jobs will be provided in Britain.

Personnel

The regular armed forces totalled 317,300 in January 1988, of whom 65,600 were in the Royal Navy and the Royal Marines, 158,400 in the Army and 93,300 in the Royal Air Force. Reserve forces totalled 319,900, of whom 226,500 were regular reserves and 93,400 volunteer reserves and auxiliary forces. Cadet forces numbered 146,800.

Since 1979 the number of civilians employed by the Ministry of Defence has been reduced by over 100,000 to 145,000, 65 per cent of these reductions being made through efficiency measures, rationalisation of tasks and contracting out. Economies are also being made in Service manpower, particular effort being directed towards achieving saving in support areas. The proportion of Royal Navy personnel serving on the front line or immediately in its support, for example, has increased to 70 per cent since 1981, while its total strength has been reduced by over 8,000.[1] By 1990 the Army will also reduce support posts by 4,000 while its front-line capability is to be improved at the same time, by, for instance, deploying an additional armoured BAOR regiment and a Starstreak air defence regiment without any increase in total manpower.

Falkland Islands Economy

The importance of rapidly increasing fishing revenues to the economy of the Falkland Islands is emphasised in the 1987 report of the Falkland Islands Development Corporation, which also considers the range of other development options open to the Islands.

The report[2] notes that since the declaration of the Falklands Interim Conservation and Management Zone in 1986 (see pp 351-2, 1986), the Islands have undergone a radical economic transformation. Between 1986 and 1987 gross national product rose

[1]The crew needed for the new Type 23 frigate, for example, will be two-thirds that for a Type 22.

[2]*Falkland Islands Development Corporation. Annual Report 1987.* Available unpriced from the Falkland Islands Government, London Office, 29 Tufton Street, London SW1P 3QL. For further information on the Islands' economy, see COI reference paper, *The Falkland Islands and South Georgia and the South Sandwich Islands*, No 152/88.

from £9·89 million to £30·7 million. With a potential annual revenue of over £15 million from fishing licences, the Islands are now able to determine their own development priorities from a position of strength rather than dependency. A major review of the Islands' economy had been commissioned to identify development strategies and their long-term social and economic implications. The interim findings were published in November 1987 and a final report would be considered by the Government shortly, though the choice of options rested solely with the Islanders.

In agriculture, the Falkland Islands Development Corporation (FIDC) was continuing its programmes of encouraging land transfer and subdivision, and of assisting farmers through improvement grants, training and research and development. Some 42·5 per cent of the land was now controlled by absentee landowners, compared with 86 per cent in 1980. With the sale of two farms in 1987, only one West Falkland property was not now in Islander ownership. Falkland Farmers Limited, the farmers' co-operative, with 175 shareholders, had moved to larger premises in Stanley's new industrial estate, and the hydroponic market garden was producing a range of salad crops, with the cultivation of other vegetables planned.

Seventeen Enterprise Grant applications for industry and services were approved by the FIDC in 1987, including a decorating business, a pre-school, a refrigerator repair business, various tourism facilities and the production of knitting kits. The Stanley Industrial Estate, with the units leased by the FIDC to local businesses, was now occupied, 26 houses were under construction, and proposals for a swimming pool and 20-bedroom hotel were under consideration. Stanley's first restaurant, a boutique and video shop and a small garden centre had all opened in 1987.

One of FIDC's chief concerns was to improve the Islands' road system and a preliminary survey of routes was being undertaken. The Corporation had also commissioned a study to determine the viability of a ferry service between the Islands.

The Corporation had conducted a study of rural energy consumption on the Islands to identify demand and the use of alternative and renewable power systems. In consequence, a number of energy-saving options were under consideration to reduce dependence on diesel-generated power.

The Falkland Islands tourism industry had expanded significantly during 1987 and the 1987-88 season was expected to see a 100 per cent increase in the number of tour party visitors over the previous year. Although Britain was still the Islands' principal market, the first North American group would be visiting in the 1987-88 season and interest was also being shown by European tour operators. A fourth tourist lodge opened in November 1987.

Stanley Fisheries Limited

In a separate report[1] on its first year of operation Stanley Fisheries Limited, a wholly owned subsidiary of FIDC, announced that it had generated investment income of £7·2 million through joint venture premiums[1] and had entered into joint venture arrangements with 14 companies or associations representing British, Spanish, New Zealand, Taiwanese and Falkland Islands interests. Six large trawlers had been purchased with joint venture partners and a joint venture had been established specifically for commercial exploitation of the abundant local crab. Onshore infrastructure, including housing, was under development, and a series of fisheries research projects had been established, including a pilot salmon hatchery.

[1] *Stanley Fisheries Limited. Annual Report 1987.* Available unpriced from the Falkland Islands Government, London Office.

Commonwealth Development Corporation

The annual report of the Commonwealth Development Corporation (CDC)[2] published in May shows that the Corporation undertook new commitments totalling £117·7 million to 20 developing countries in 1987. Actual disbursements amounted to £67·3 million. Estimated total commitments at the end of the year were £1,011·3 million, of which £312·8 million was for basic development, including power and water, housing finance and transport; £541·2 million for primary production and processing; and £157·3 million for industry and commerce.

Established in 1948, the CDC is financed largely by loans from the Government's aid programme and supports economic growth in developing countries by investing in productive enterprises in the public or private sector. It is authorised to operate in any developing country subject to ministerial approval. At the end of 1987 the CDC operated in 53 countries. It undertakes investments either alone or in association with others – in 1987 approximately £210 million was contributed by other bodies and institutions in co-financing projects – and is required to pay its way, thus combining development objectives with a broadly commercial approach so as to provide a reasonable rate of return on its investments. Close relations with overseas governments are maintained through the Corporation's overseas offices in order to ensure that its activities are directed in such a way as best to promote the economic development of the country concerned. The value of the Corporation's total commitment by region is shown in the table.

CDC Total Commitments by Region 1987

Area	*£ million*
Africa	460·0
Asia	288·1
Caribbean and Latin America	151·8
Pacific Islands	106·7
Other areas	4·7
Total	1011·3

[1] With the declaration of the Falklands Interim Conservation and Management Zone in 1986, the Falkland Islands Government adopted as an element of its fishing policy the principle of giving preference to fishing companies prepared to enter into joint venture agreements with Stanley Fisheries Limited.

[2] *Commonwealth Development Corporation: Report and Accounts 1987.* Available on written request from the Corporation at One Bessborough Gardens, London SW1V 2JQ. ISBN 0 903799 20 0.

The Corporation continues to place a strong emphasis on its investments in renewable natural resources. In 1987, 44 per cent of new commitments were made to such projects, covering seed production, banana plantations, tea, cocoa and forestry. Other investments involved textiles, development banking, electricity, housing, cement, factory building, warehousing and management services.

New major commitments in Central Africa in 1987 included £12·25 million to the Zimbabwe Electricity Supply Authority for power generation and distribution, supplementing the CDC's existing funding; and £16·89 million for three farming companies in Malawi. In East Africa commitments totalling £9 million were made to textile companies in Mauritius and to the Mauritius Export Development and Investment Authority, to provide factory and warehousing space and promote vigorous export-led growth.

The Corporation committed £10 million each to two investment companies in India for development finance, and £4 million for new oil palm planting and a processing mill in Thailand. In the Caribbean, £6·5 million was pledged to the St Mary Banana Estates in Jamaica, to which the CDC is also providing management services, to redevelop 1,600 acres formerly used for sugar cane for banana cultivation.

It is estimated that, together, the new commitments will create 13,000 permanent jobs; help bring over 20,000 hectares (49,400 acres) under cultivation; construct 89 MW of electrical generating capacity and approximately 620 km (about 385 miles) of transmission lines; produce approximately 28 million square metres (300 million square feet) of finished fabric a year; and earn at least £140 million a year in foreign exchange for host countries.

In 1987 the CDC completed the third of its quinquennial reviews with the Government's Overseas Development Administration: targets were set to increase the Corporation's new business commitments to £180 million a year by 1990-91; to place not less than 60 per cent of those commitments in countries with a gross national product of less than $800 per head (based on 1983 statistics); to place not less than 40 per cent in renewable natural resources projects, and not less than two-thirds in Commonwealth countries (plus Pakistan). It was also agreed that the CDC should increase its operations in the private sector.

Shorter Note

THE CROWN AGENTS

The annual report and accounts of the Crown Agents for Oversea Governments and Administrations were published in May. They show that the value of procurement orders placed with the Agents during the year amounted to £143·8 million. The value of new orders funded through Britain's bilateral aid programme was £73·2 million. In addition, the Agents' aid administration service managed 179 loans and grants with a value of over £2,000 million.

The Crown Agents are a statutory body which provides financial, professional and commercial services for over 100 governments and 300 public authorities and international bodies, including purchasing, shipping and insuring material and equipment; supervision and management of engineering projects; money management and investment; and recruitment, consultancy and training. They provide help in administering Britain's programme of bilateral aid to developing countries and are involved in other countries' bilateral aid programmes as well as those of multilateral agencies.

The Agents' activities in 1987 included, in Africa, an important role in structural adjustment lending support to a number of countries; and they have been appointed to manage the procurement of a substantial part of the Japanese Government's 1988 non-project grant aid programme to sub-Saharan Africa. In East Africa, the Agents' work has concentrated mainly on their traditional activities: agency purchasing and the provision of supply advisory, training and project teams. The Agents have also completed the first phase of a feasibility and implementation study for the Mauritanian Fishery Sector funded by the Kuwait Fund for Arab Economic Development and the Arab Fund for Economic and Social Development.

In Asia and the Pacific, the Agents opened a new supplies office in Seoul, Republic of Korea, and handled their first major piece of non-British aid procurement work in South Asia in supplying vehicles to Pakistan under World Bank funding. In close collaboration with the British Council, the Agents have increased their work on behalf of the India Technical Co-operation purchasing programme. The major activity in the Pacific is work alongside the British Development Division there, which includes purchasing, vehicle rehabilitation and road construction management.

Work undertaken in the Caribbean included a fishery project in Barbados financed by the Inter-American Development Bank. A second economic fraud workshop, with participants throughout the region attending, was held in collaboration with the Economic Crime Unit of the Commonwealth Secretariat.

In the Middle East and the Mediterranean, the Agents' procurement services were in operation in Gibraltar, Egypt and Sudan, handling British aid, and a major training programme involving 'in country' courses, British courses and attachments was conducted for Sudan.

Source: *Crown Agents for Oversea Governments and Administrations: Annual Report and Accounts 1987.* Available unpriced from the Crown Agents, St Nicholas House, St Nicholas Road, Sutton, Surrey SM1 1EL.

Agricultural Policy

The Government's views on world agricultural surpluses, their economic costs and implications for international trade, and the need to bring agricultural policy into line with the needs of the market have been given by the Minister of Agriculture, Fisheries and Food, Mr John MacGregor. The Minister has also commented on the future of the British dairy industry.

Speaking at a conference in Munich on 11 May, Mr MacGregor assessed the problem of overproduction and considered the principles which should guide the European Community in seeking adjustments.

Agriculture and the World Economy

Agricultural Surpluses

Over the last decade, the Minister said, food production had increased by 7 per cent per consumer in developed countries and by 13 per cent in developing countries, although consumption in the developing countries remained at a low level. World markets for many food products had become saturated, with trading at 'knock-down' prices. Corrective action had in some respects curbed supply, but not, for example, in cereals (including rice), where world trade accounted for about 10 per cent of world production and stocks of some 400 million tonnes – double those required for normal carry-over purposes – equalled about 25 per cent of annual production. Price levels were less than those of a decade ago and well below production costs.

He was not convinced that the problem was only temporary. Technical advances in husbandry, pest control, engineering and genetics were continually raising production capacity and, by improving efficiency, reducing unit costs. Despite environmental and animal welfare concerns causing pressures in the opposite direction, it would still be prudent to think in terms of agricultural growth of about 1·5 per cent a year, which could yield unacceptable surpluses.

The Economic Problem

In considering the economic implications Mr MacGregor stressed first the substantial cost of financial support for agriculture in the European Community, both from the Community budget (with agricultural spending expected to rise to some 30,000 million ECUs – £20,078 million – in 1988; see pp 99-100) and from the budgets of member governments. He believed that farmers would wish to see a reduction of large subventions 'from other parts of the economy via the taxpayer's purse'. Secondly, support provided through administered prices bolstered by import restrictions, controls on production and other devices pushed up production costs as marginal land was brought into service in response to these incentives, and also resulted in higher land prices. Thirdly, the diversion of funds from consumers and taxpayers towards the production of surpluses meant their denial for other economic development. Spiralling subsidies also resulted in wider trade-distorting effects and the risk of a trade war – far from the open trading system crucial to the economic growth of great trading nations.

Proposals for Adjustment

If agriculture were to play its part in the future development of the Community, Mr MacGregor continued, it 'should become more responsive to market signals and less dependent on subventions'. He emphasised the disadvantages especially of rigid quotas, which acted against healthy competition and efficiency in production and kept out new producers, and of levies, high administered prices and similar devices. Price was the instrument by which the market adjusted supply and demand, and the role and power of price policy, which governed much of the rest of the economy, 'should always be considered first in the case of agriculture'. On a current forecast of supply and demand, production of some commodities would have to be curbed, a process signalled by the introduction of stabilisers (see p 399, 1987), and there would be important consequences, for three aspects of agriculture in particular.

Farm Structures

Many Community farms, the Minister said, were too small to generate a satisfactory income from farming without the artificial prop of support prices. With the coming of the single European market in 1992 (see pp 8-9), further restructuring of farm sizes, a process well under way in Britain, would be inevitable. To continue to subsidise small farms would be both costly and a misdirection of funds. The future, however, could be secured by their owners' income from other sources. This was desirable, both from the point of view of the rural economy and because small farms helped to bring variety and interest to the European countryside.

The Rural Economy

Mr MacGregor underlined the dynamic nature of the rural economy, in Britain and in many other parts

of the Community. Many more people were able either to live in the countryside while working in towns and cities or to live and work there, in various industries and occupations that would not have been possible even a decade ago. Higher living standards and mobility of populations also increased the potential of country leisure activities. Today a significant proportion of farm household income came from non-farming activities – about half in the Federal Republic of Germany and France and between 40 and 45 per cent in Britain. Farmers were developing business skills, for example, in selling direct to the public in farm shops and in providing for leisure.

Care of the Countryside

There were now opportunities, the Minister said, for getting a new balance between agricultural production and the environment. With less land needed for production and only a proportion to be used for new business activities, modest public subsidies could be justified for keeping the countryside attractive. He cited British initiatives such as environmentally sensitive areas (see p 419, 1987) and the farm woodland scheme (see pp 414-15, 1987).

Conclusion

In concluding he stressed the need for changes in agricultural support to be on a multilateral basis so that the benefits of adjustments in one country should not be 'swamped by expansion of support in another'. He looked forward to the December 1988 meeting in the General Agreement on Tariffs and Trade round (see p 360, 1987) achieving genuine restraints on support and protectionism, even though for social, environmental and economic reasons a range of support measures would need to survive. 'Lower prices and lower support will force the industry to produce at lower cost, thereby enhancing the overall efficiency of production and bringing with it wider economic benefits.'

The British Dairy Industry

In a speech in London on 24 May, Mr MacGregor reminded the Dairy Trades Federation that the ban on imports of pasteurised milk into Britain from the Community would soon be lifted and the market in milk and milk products would be open. Importers would be quick to exploit further opportunities in Britain's markets and the British dairy industry would need to be competitive, not only to win new home and overseas sales, but also to retain its existing share of the home market. While quotas would remain for the foreseeable future, he would press to be able to alter area quotas within the national allocation. Future growth would depend on the industry's ability to convert its raw material into saleable produce.

The Minister emphasised the importance of benefiting from technological developments to improve efficiency in production, manufacture and marketing. In relation to the current debate on BST [bovine somatotropin – a hormone injected into cows to boost milk production, which awaits Ministry licences], he would take any necessary measures to guarantee wholesome and safe food, but could not use powers under the Medicines Act 1968 to hinder scientific progress. He had to be guided by two principles: reliance on the best specialist advice and determination that the British industry should not be put into an uncompetitive position. Manufacturing efficiency was already being improved by the rationalisation of butter- and powder-making capacity.

Coal: the Private Sector and Opencast Production

The Government is taking steps to encourage greater competition in the coal industry and has given its views on the role of the private sector in mining activity. It has also stressed the desirability of an increase in opencast production, guidelines for which have been provided by the Department of the Environment.

In a speech in London on 11 May, the Parliamentary Under-Secretary of State at the Department of Energy, Mr Michael Spicer, pointed out that coal-mining in Britain was by law a monopoly, in the charge of British Coal. In stating the government view on how greater competition could be introduced, he examined the potential role of the private sector.

Role of the Private Sector

Opencast coal, Mr Spicer said, which accounted for some 15 per cent of British Coal's production and 85 per cent of its mining profits, provided much of the country's cheapest coal and was predominantly a private sector operation. Opencast sites were put out to competitive tender and this had played a major part in keeping costs down. The private sector also supplied machinery worth over £600 million to British Coal in 1987 and had exports worth nearly £90 million. It had also undertaken much of the engineering work on large mining projects and been active in coal-washing and tip recovery. Over the last five years, British Coal had disposed of a number of its non-mining activities, and the Government hoped that many others, such as coke and manufactured fuel production, would also be returned to private hands.

Deep-mine coal reserves were a vital national asset, Mr Spicer continued, but their exploitation did not have to remain a monopoly or a public sector business. Although it was the Government's aim to privatise the coal industry, it did not intend to do so before the next general election, for the following reasons:

1 The apportioning of mining rights and liabilities, and the establishment of a licensing regime, technically and administratively complex matters, would take a long time.

2 British Coal should not be distracted from restructuring the industry to make it more competitive in a fully liberalised market.

3 The current priority was the privatisation of the electricity supply industry (see pp 112-18).

4 Electricity privatisation would have major implications for the coal industry, entailing new contractual relationships with the electricity companies for the supply of coal: whether to buy, for example, for individual power stations from individual pits or direct from British Coal.

Measures to Increase Competition

The Government, Mr Spicer said, was committed to the development of a prosperous licensed sector, the one genuinely private sector of the coal-mining industry, which had increased in size over the last ten years despite often adverse trading conditions, the payment of the highest royalties in the Western world for opencast coal, and the small scale of its operations. British Coal had been asked to make its licensing policy more open and flexible – to determine applications within a set deadline, to give reasons for refusal and to set up a system of internal appeal. He hoped that British Coal would increase the duration of underground licences to make it easier to finance small mines and would soon publish a policy statement along these lines.

A change in the law which placed tight statutory limits on licensed deep-mine and opencast activities was also being considered. While the smallest British Coal collieries employed about 300 men, licensed deep and opencast mines were limited to 30, which prevented the use of private capital for creating new jobs and inhibited competition.

The Government's new guidelines for opencast mining (see below) would clarify the planning criteria required of operators. It was also willing to consider what more could be done to increase the supply of coal from tip recovery.

Marketing

The Government wanted to see greater competition and openness in the marketing of coal, Mr Spicer stated. With proper working practices and the benefits conferred by substantial government investment, British Coal would be well placed to compete with coal imported from abroad. By removing coal conversion grants [through the coal-firing scheme – see p 363, 1986], the Government had intended to help to make the industrial fuel market more competitive, and, as far as industrial and coking coal were concerned, that aim had been achieved. It had also agreed with British Coal that a primary objective should be 'those sales which maximise profit on a continuing basis in competition with other fuels', and that British Coal's manufactured fuel and coal distribution subsidiaries, while in the public sector, should 'stand on their own feet financially'.

Opencast Coal and the Environment

In a speech on 12 March, Mr Spicer stressed that opencast coal was cheap energy, was competitive with imports and could be produced efficiently now. It was of good quality and was often blended to bring deep-mined coal up to the standard required by customers. Some 12,000 jobs in deep mines depended on the availability of opencast coal. In 1986-87 British Coal made an operating profit of £244 million on 13·3 million tonnes of opencast, but only £41 million on 87·2 million tonnes of deep-mined coal; and opencast profit was largely ploughed back into the restructuring of deep mines. The 7,000 jobs in the opencast industry usually went to local people and required specialist skills. Supplying and servicing the industry brought the total supported by it to around 15,000.

The Government, he continued, would therefore like to see a significant increase in opencast production provided that environmental disruption was kept to a minimum, the correct balance was struck between legitimate environmental concerns and the need for coal, and restoration standards were the highest possible. Derelict sites could be turned into productive farmland, leisure parks, golf courses, areas for industrial development or land for housing. Opencast coal mining, he said, 'should put back into the community what it takes out. . . . British Coal estimate that over the last five years they have already contributed some £30 million in local community benefits.'

Government Guidelines

Government guidelines on the exercise of planning control over opencast mining, issued on 8 June, give details of national policy considerations, such as the coal industry's responsibility to decide the level of opencast output and the protection of the environment.[1] Applications to work minerals in national parks, areas of outstanding natural beauty, national nature reserves and sites of special scientific interest will be subject to the most rigorous examination. Special policy considerations also govern working on agricultural land and in green belts. The Government also welcomes the British Coal Corporation's agreement with the local authority associations for a revised code of practice for opencast coal-mining, which will include a national assessment of the Corporation's needs, to be updated every two years.

The guidelines stress the importance of early and full consultation between the developer and local authorities and other interested bodies. They also emphasise the need to keep dust, noise, vibration from blasting and the visual intrusion of a site to an acceptable level by careful planning, which includes moving work quickly from residential areas. Subject to the environmental and other effects being fully assessed, mineral planning authorities are asked to take into account that:

1 applications may be favourably considered if the coal would otherwise be sterilised by other forms of development;

2 opencasting may bring about long-term environmental improvements by, for example, the restoration of previously derelict sites;

3 the opportunity to work other mineral reserves on the same site as opencast coal should be explored;

4 opencasting proposals should facilitate the comprehensive working of an area's coal deposits within a long-term programme and unprogrammed piecemeal working should be avoided.

[1] *Minerals Planning Guidance: Opencast Coal Mining.* Department of the Environment and Welsh Office. HMSO, £2·30. ISBN 0 11 752120 5.

Detailed proposals for the restoration and aftercare of sites to a subsequent beneficial use should an important part of the information submitted with a planning application.

Copyright, Designs and Patents Bill

The Copyright, Designs and Patents Bill, which received its second reading in the House of Commons on 28 April, is designed to provide an improved system of protection for intellectual property. It sets out to reform and completely restate the law of copyright, provide a new form of legal protection for designs and establish a framework of civil law for the protection of performers. It also abolishes the exclusive rights of registered patent agents and makes patent litigation simpler and cheaper. The Bill, which aims to protect creativity without restricting competition, takes into account both present and future technical developments and Britain's international obligations. If implemented, the proposed legislation would enable Britain to ratify the latest text of the Berne Copyright Convention.

'Intellectual property' is the term used to cover patents, designs, trade marks and copyright. The Bill is the outcome of a long review of existing intellectual property law and is based on proposals set out in the White Paper *Intellectual Property Law and Innovation* issued in April 1986 (see pp 161-3, 1986). The White Paper in turn arose from three consultative documents on intellectual property published in 1985 (see p 82, 1985), in 1984 (p 29, 1984) and in 1981 (pp 274-7, 1981), themselves stemming from the recommendations on copyright and related law published by the Whitford Committee (see pp 128-9, 1977).

The Bill at present before Parliament is extremely long and complex and its subject matter highly technical. The summary which follows provides only a brief description of its main content.

MAIN PROVISIONS

Copyright

Part I of the Bill, which makes up more than half of its length, reforms and restates the law of copyright. It repeals the Copyright Act 1956 and replaces it with a fresh statement of the law on a more logical and consistent basis, taking account of the technological changes of the last 30 years.

Copyright, which gives legal rights to the creators of certain kinds of material, enabling them to control the various ways in which their work may be exploited, is defined in the Bill as a property right, which means that it can be exploited, used, bought and sold ('assigned') like other property. It may subsist in any of nine descriptions of 'work' which are grouped into three categories:

(a) original literary, dramatic, musical or artistic works;

(b) sound recordings, films, broadcasts and cable programmes; and

(c) the typographical arrangements or 'layout' of a published edition.

The Bill provides detailed definitions of these descriptions of works which may attract copyright protection.

Ownership and Duration of Copyright

While there are special rules for first ownership of copyright in the case of employed authors and works created by or for the Crown and certain international organisations, under existing legislation it is generally the author who is the first owner of copyright in a work. He may use his copyright to stop others exploiting his work, or he may license them to do so. Alternatively he can sell the copyright. The producers of records and films, broadcasters and publishers are regarded as authors of the relevant description of work. At present, for literary, dramatic, musical and artistic works, copyright expires 50 years after the death of the author. The copyright in broadcasts and cable programmes is 50 years from the date of making, and for sound recordings or films is 50 years from the date of release. The copyright in a typographical arrangement lasts 25 years from first publication.

While the provisions relating to ownership and duration of copyright are largely unchanged (as are the rights themselves), account is taken of both present and future technological developments by including provisions to extend copyright protection of computer programs and satellite broadcasts. In making provision to ascribe authorship in cases of so-called 'computer-generated' works (that is, works generated without the involvement of any discernible human authorship), it is believed that this would be the first copyright legislation in the world to attempt to deal specifically with the advent of artificial intelligence.

Copyright Owner's Rights

Under the existing legislation the copyright owner has the exclusive right to carry out certain 'restricted acts'. These are:

(a) copying the work;

(b) issuing copies of the work to the public;

(c) performing, playing or showing the work in public;

(d) broadcasting the work or including it in a cable programme service; and

(e) making an adaptation of the work or doing any of (a) to (d) with the adaptation.

Part I of the Bill defines these restricted acts in more detail and specifies the description of works to which they are applicable.

In setting out the rights which the copyright owner is to enjoy, the Bill introduces a new 'rental' right. This would give the copyright owners of sound recordings, films and computer programs the exclusive right to authorise the hiring of copies to the public until the end of the year following the year of first issue. After that, hiring could not be prevented by the copyright owner but the person renting out copies would have to pay a royalty.

Exceptions to Copyright

The Bill sets out a series of exceptions to copyright, thus ensuring that copyright considerations do not unduly hinder research, education, the working of libraries or public administration. New exceptions include those which would allow broadcasts to be recorded by schools for educational purposes and by organisations working for deaf people for subtitling purposes.

Moral Rights

A new concept in British copyright law is contained in proposals to introduce the so-called 'moral rights' of authors. These are rights which protect an author's reputation as distinct from economic rights which enable him to earn money. Under these proposals, the authors of certain classes of copyright work and the directors of copyright films would have the right to be identified as the author or director of the work ('the paternity right') and the right to object to distortions and mutilations of their works ('the integrity right'). Moral rights would not be assignable, but they might be exercised after the death of the author or director during the period of copyright.

Both of these moral rights are enshrined in the Berne Copyright Convention, the most important of the international copyright conventions, providing for recognition of copyright in over 75 countries, including Britain. The introduction of these moral rights into British law would enable the country to ratify the latest Act – the Paris Act – of this convention (which Britain signed in 1971) and so reinforce Britain's commitment to the international protection of intellectual property.

The Bill also contains provision for a new kind of privacy right. This would give the commissioner of photographs taken or films made for private and domestic purposes certain rights over the exploitation of the work to help protect his privacy.

Remedies for Infringement

Further proposals in Part I are designed to improve the measures to combat copyright piracy. Under these, the making, importing and distribution of infringing copies of any kind of copyright material would become a criminal offence carrying a maximum penalty of an unlimited fine and/or two years' imprisonment. Trading or dealing in infringing copies might lead to a fine of £2,000 and up to six months' imprisonment.

Copyright Tribunal

Recognising the increasing tendency for copyright owners jointly to set up collecting societies which negotiate blanket licences for the use of their works, the Bill proposes to extend the jurisdiction of the Performing Right Tribunal (which controls collectively administered licences) to cover disputes about licensing in all areas of copyright where there is a licensing scheme operated by a collecting society. At present the Tribunal's jurisdiction is limited to determining disputes over licences for public performances, broadcasting or inclusion of works in cable programmes; it is proposed to extend the jurisdiction of the Tribunal to cover licences to record works or to reproduce them, and to rename it the Copyright Tribunal.

Rights in Performances

Under the existing law performers have no copyright or statutory civil right in their performances: the making of unauthorised films, sound recordings, broadcast or cable transmission of performances is treated as a criminal matter only. Part II of the Bill, while retaining the existing criminal provisions, supplements them with a clear statutory framework of civil law for the protection of performers. New civil rights are also provided for those people who have exclusive recording contracts with performers, since they also are adversely affected by unauthorised or 'bootleg' recordings.

The new civil rights would cover:

(a) making a record, film, broadcast or cable transmission of a live performance without consent;

(b) public performance of such unauthorised records, films, broadcasts or cable transmissions;

(c) broadcast or cable transmission of unauthorised films or records, and

(d) importation or possession by way of trade of, or trade in, such unauthorised records or films.

In order that the performer should not be in a stronger position than would be the owner of any copyright in a broadcast, cable programme, record or film of his performance of a literary, dramatic or musical work in the same circumstances, any exception applying to the copyright would therefore apply to the performer's right.

These new rights would not constitute a property right, which means that they could not be assigned, but they could be bequeathed and in the absence of a specific bequest they would pass to the personal representatives of the performer. The term of protection for performers' rights would be 50 years from the end of the year in which the performance was given.

Infringement of the new civil rights would be a breach of a statutory duty for which the normal civil remedies would be available. Unauthorised recordings and films might be seized and forfeited.

The criminal remedies for infringing performers' rights would correspond broadly to those in the existing Performers' Protection Acts but would be made fully consistent with the corresponding remedies in copyright (see above).

Design Right

The third part of the Bill provides a new right for original designs, giving protection against copying for the first five years after marketing, and a right to remuneration for a further five years after that. (During the final five years anyone would be able to make or sell articles copying the design on payment of a royalty.) The Bill, however, would allow copying where there was no design freedom for either functional or aesthetic reasons, as for example, the manufacture of spare parts. Copying would thus be allowed where necessary, but designers would be protected from those who copied when there was no need for them to do so. The new design right would not require registration and, because it would be a property right, it could be exploited, used, bought or sold like any other property and, where infringement of the right occurred, the design right owner would be able to take the normal civil action

available to plaintiffs for the infringement of a property right.

Registered Designs

Part IV of the Bill amends the Registered Designs Act 1949. At present certain designs – those with aesthetic appeal – can be registered, giving their proprietors exclusive rights in the designs for up to 15 years. The Bill restates the existing definition of a registrable design with minor changes and introduces two new provisions which would prevent certain designs from being registered. Designs of articles whose aesthetic appearance is not significant, and designs of parts where there is no design freedom because the design of the part is determined by the design of the whole, would be excluded. Thus protection would be available only for truly aesthetic, stand-alone designs where competitors do not need to be able to copy such designs in order to compete effectively. The term of protection for registered designs would be increased from a maximum of 15 to 25 years.

Patent Agents and Trade Mark Agents

The exclusive right of registered patent agents to act for inventors and other applicants in dealings with the Patent Office would be abolished and in future anyone would be able to represent applicants. The existing register of qualified patent agents would be retained and only those on the register would be entitled to call themselves 'patent agents'. Existing constraints on mixed practices, for example of patent agents and venture capital advisers, would be relaxed. A register of qualified trade mark agents would be established.

Patents

At present patent litigation is conducted in the High Court. Proposals in Part VI of the Bill give the county courts jurisdiction over patent and design matters, thereby reducing the cost and delays at present experienced in High Court actions. Further proposals make changes to the existing Patent Acts: these give owners of pharmaceutical patents granted under the Patent Act 1949 exclusivity for a full twenty-year term, and in so doing aim to promote research and development of new medicinal products; other proposals simplify the procedures for applying for a patent.

Miscellaneous Provisions

The final part of the Bill introduces substantial criminal provisions to deter the counterfeiting of goods, by making the fraudulent use of a trade mark a criminal offence. The maximum penalty would be an unlimited fine and up to ten years' imprisonment. Part VII of the Bill also deals with the fraudulent reception of broadcasts and cable programmes by restating and extending the existing provisions contained in the Cable and Broadcasting Act 1984 (see pp 185-6, 1984) to cover the reception of any broadcasting or cable programme service provided from a place in Britain and to related feeder services. In practice these changes would affect low-powered satellite services and their overseas equivalents. Finally the Bill proposes that financial assistance be given to the European Community Trade Marks Office in the event of its being sited in London.

PARLIAMENTARY DEBATE

The Bill received an unopposed second reading in the House of Commons on 28 April (*Hansard*, Vol 132, No 140, cols 525-98).

Government View

Introducing the Bill, the Chancellor of the Duchy of Lancaster and Minister of Trade and Industry, Mr Kenneth Clarke, said that its effect would be felt in varying degrees by almost every sector of the economy. It would affect the music industry, those engaged in the publication of books and newspapers and the design effort in British industry; it would provide a legal framework for broadcasting and cable transmission and it would also affect the computer software, film and pharmaceutical industries and many others. Moreover its effects were not confined solely to business and industry: it had implications for education, the library service and the theatre. Mr Clarke told the House: 'A man's idea is as much his personal property as his more tangible assets, such as his house and his car. In some respects, indeed, a man's ideas are an even more important part of his personal property. That concept underlies all intellectual property law, whether it is copyright protection for artists and authors or patent protection for inventors. By establishing a property right in the idea, the law gives protection against those who would steal another man's ideas.'

The Bill, which was the result of a very long period of consideration and consultation with all the interest groups affected, set out to restructure the law on a more logical and consistent basis than the existing legislation and in a way which took account of the advances made in the past 30 years, and it tried, where possible, to anticipate future developments. Its overriding objective had been to ensure a firm balance between protection and fair competition. The Bill sought to provide the means for those with ideas to get a fair reward for their work, without placing unfair burdens on the public at large.

In redefining the law on copyright, a balance had to be struck between the rights granted to creators to encourage creativity and the effect that the full exercise of those rights might have on others. While it was right for copyright owners to be able to exploit their works to the full, it would not be proper to confer rights which could be used oppressively. Thus while the Bill sought to protect the copyright owner, it also set out a series of exceptions from copyright, ensuring that copyright considerations did not unduly obstruct research, education, the library service or public administration, in all of which areas it was in the public interest for the work to be used within clearly defined limits, without recourse to the copyright owner.

Referring to the provision in Part I of the Bill covering so-called rental rights, Mr Clarke acknowledged that in its present form this part of the Bill would allow compact discs and computer software designs to be hired out one year after production, thus allowing people to make a copy without paying the full price to the author. While the Government did not want creators to exploit their copyright to an onerous extent on consumers who might want access to it, it was not altogether satisfied that it had achieved the right balance; it held strong reserva-

tions and would continue to consider the matter as the Bill progressed through the House.

Turning to the protection of designs proposed in the Bill, Mr Clarke said that the Government had taken the view that all original designs deserved a limited amount of protection and he spoke of the importance of striking a balance between the need to deter piracy and the prevention of restrictive practices. As an example he cited the manufacture of spare parts. Because these had to fit the product for which they were intended, they had to some extent to be a copy of the original design. The Bill would therefore permit copying where there was no design freedom for either functional or aesthetic reasons. However, where there was full design freedom, competitors would have to create their own designs. The proposed changes in the law sought to ensure that design effort was encouraged without stifling competition, or leaving consumers open to the exploitation of a monopoly position.

Mr Clarke then commented on the Government's decision to exclude any provision for a blank tape levy from the Bill. The levy proposals [which had been put forward in the White Paper of 1986] would have gone beyond the principle of the Bill's legal protection for the intellectual property of the creative artist. Such a levy would have involved the Government in the collection of a new tax to provide the copyright owner with a financial reward from his work; a new bureaucracy would have been required to collect and distribute the proceeds of the levy; and the administration cost of any such scheme would almost certainly have been disproportionate to the amount of money raised. The Government had also been concerned about the 'rough justice' element of the levy proposals. Not every blank tape was used to record copyright material and so a levy would have been an unfair imposition on many people. Any financial benefit to copyright owners and performers would be outweighed by the adverse effects the levy would have had on consumers, especially visually handicapped people who made extensive use of blank tapes in their everyday lives. As a compensation, however, the Government would bring forward an amendment to the Bill outlawing so-called anti-spoiler devices which could override signals intended by the copyright owner to prevent copying.

Mr Clarke concluded by saying that the Bill provided a framework of legal protection which aimed to cultivate and nourish creativity. It would provide a fair balance between the providers and users of intellectual property, setting out the law in a much clearer way than before and taking account of the rapid pace of technological advance. It made the intellectual property system more relevant and accessible to the needs of British business. The Bill, in short, would encourage creative talent, enterprise and fair competition.

Opposition Views

For the official Opposition, its chief spokesman on trade and industry, Mr Bryan Gould, described the Bill as a welcome and courageous attempt to reform a complex and difficult area. The present state of the law was unsatisfactory and out-of-date and needed reform. He urged the Government to reconsider its decision not to impose a levy on blank tapes. Having recognised that a problem existed, the Government had a responsibility which it had not yet discharged. His party would do what it could to help the Government reach at least a partial solution to the problem.

For the Social and Liberal Democrats, Mr James Wallace generally welcomed the Bill but considered the absence of any provision for a levy on blank tapes to be a serious omission.

Shorter Notes

INWARD INVESTMENT

The latest annual report of the Invest in Britain Bureau, published on 19 May, shows that Britain's position as the first choice European location for international direct investment was reaffirmed in 1987, with the announcement of 303 inward investment projects. This was the third year in succession in which the number of projects exceeded 300.

The United States continues to be the major source of direct investment, with 133 projects being announced during 1987. However, this represented a decline of 19 per cent on the 1986 figure, reflecting the anticipated downturn in the United States overseas investment cycle.

This fall was largely offset by a record number of projects from Japan. Forty were announced during 1987 – 81 per cent more than in 1986. This strong growth is the result of a number of influences, including: pressure from the European Community to reduce the continuing deficit on its trade with Japan; the investigation by the European Commission of the dumping of Japanese goods, so encouraging Japan to set up manufacturing plants in Europe; the prevailing pattern of exchange rates; and favourable British production costs. All these factors point to a continuing high level of Japanese investment in Britain in 1988. Among expansion projects by Japanese companies, the most reported was Nissan's decision to start manufacture of its Micra car at Sunderland, Tyne and Wear.

Investment from Western Europe remained steady during 1987 with almost 120 projects. The Federal Republic of Germany again accounted for the largest share – 43 per cent.

As a result of inward investment in 1987, it is estimated that some 37,000 jobs will be directly created or safeguarded – a 41 per cent increase on the 1986 figure. In addition, the £4,000 million development by the Canadian company Olympia and York of Canary Wharf in London's Docklands is expected to bring about the creation of several thousand jobs in the construction industry.

Source: *Invest in Britain Bureau. Annual Report 1987.* Available free from Invest in Britain Bureau, Kingsgate House, 66-74 Victoria Street, London SW1E 6SW.

VENTURE CAPITAL

Speaking in London on 26 May, Mr John Cope, Minister of State for Small Firms at the Department

of Employment, told the European Venture Capital Association that, stimulated by the Government's liberalisation of the economy, venture capital investment in Britain had risen from £10 million in 1979 to £934 million in 1987. ('Venture capital' is the name given to funds made available by financial institutions in support of innovative or other new and growing high-risk business ventures.) Britain, Mr Cope believed, now had the most highly developed venture capital market in Europe. A recent survey had shown that, of the total funds available for investment in Europe at the end of 1987, 55 per cent had been raised in Britain; of the new funds raised in 1987, 48 per cent had been raised by British venture capital companies. The Government also encouraged investment in small companies through the Business Expansion Scheme (see p 138).

Source: Department of Employment press notice, 26.5.88.

GIROBANK PRIVATISATION

Girobank, at present a subsidiary of the Post Office, is to be offered for sale to a financial institution or other suitable company. The Minister of Trade and Industry, Mr Kenneth Clarke, made the announcement in the House of Commons on 7 June.

Girobank, Mr Clarke said, had about 2·5 million customers and in 1986-87 made a profit before tax of £23·1 million. It was a successful banking arm of the Post Office, with a particular strength in money transmission and the handling of corporate deposits. Girobank now needed to expand vigorously and take on other activities in order to develop in the competitive world of modern banking. The Government believed that this expansion could best be achieved in the private sector. Price would be a major consideration in evaluating bids, but weight should also be given to the prospect of selling to a purchaser who would widen choice for the general public in banking services and who would be capable of developing and expanding Girobank's business.

Source: *Hansard,* Vol 134, No 161, col 713.

JOB TRAINING

The Government aims to have one in ten of Britain's workforce attending job skills updating courses every year at colleges, polytechnics and universities under its Professional, Industrial and Commercial Updating Programme (PICKUP – see p 29, 1987) by the time of the opening of the single European market in 1992. Speaking on 16 May at a conference in London held under the auspices of PICKUP and the Confederation of British Industry, the Parliamentary Under-Secretary of State at the Department of Education and Science, Mr Robert Jackson, said that between 1985-86 and 1986-87 the number of people on PICKUP courses had increased by almost 40 per cent, amounting to one in 30 of the working population. By the early 1990s the Government wished to see one in ten workers – over 2 million people – receiving PICKUP training each year. Several steps were being taken to achieve this new national training target, including completing the national network of Regional Technology Centres by the end of 1988 and strengthening the PICKUP team of regional advisers.

The Regional Technology Centres maintain up-to-date information about new technologies, providing it to both educational institutions and industry through courses and videos and printed material. They also offer a consultancy service for the implementation of new technology which is backed by training arising from the introduction of this technology in firms. Mr Jackson said that the centres were helping companies, including small and medium-sized ones, to introduce new technology by giving them greater access to the research and training services offered by further and higher education. Nine centres were already working and four more were due to start operating in the next six months. Those in operation were winning strong support from industry and from further and higher education, with more than 60 firms and nearly 70 colleges, polytechnics and universities already participating in their work. The Government would be investing £2·2 million in the centres in the five-year period from their inception in 1987; he hoped that industry would more than match this figure.

Mr Jackson then referred to the regional development agents which gave support to colleges, polytechnics and universities involved in PICKUP. They were responsible for implementing policy and providing practical advice to educational establishments. The Government would shortly augment these teams by appointing an assistant development agent in each English region.

Government funds are being invested in developing a wide range of new training programmes throughout the further and higher education sectors in such key areas as engineering design and manufacturing, small business development programmes and information technology. In 1988-89, £3 million is to be allocated to finance 127 projects in 47 universities and university colleges; a further £4·9 million will be shared by polytechnics and large colleges to pay for a variety of projects. Overall, more than £12·5 million is to be spent on enhancing the training capability of further and higher education in the next 12 months through PICKUP.

Sources: Department of Education and Science press notices, 16.5.88.

INCREASED INCENTIVE PAYMENTS FOR STORM-DAMAGED WOODLAND REPLANTING

Grants totalling £3·5 million over the next five years as an incentive to woodland owners to replant after the storm damage of October 1987 (see p 415, 1987, and p 68) were announced on 7 June by the Minister of Agriculture, Fisheries and Food, Mr John MacGregor.

In response to a recommendation by the Forest Windblow Action Committee the Government proposes to introduce a supplement of £150 a hectare

for conifers and £400 a hectare for broadleaves to the Forestry Commission's normal planting grants. It will apply to restocking under the woodland grant scheme [introduced in 1988, by which grants for broadleaf planting were increased to three to four times those offered for conifers] or, for those who still qualify, under the Commission's old schemes. Those who have already taken steps to replant storm-damaged woods through Commission grants will be able to claim the supplement retrospectively. It is estimated that the supplements will cover the replanting of 5,000 hectares (12,355 acres) of conifers and 7,000 hectares (17,300 acres) of broadleaves.

Sources: *Hansard*, Vol 134, No 162, written answers, cols 493-4; Ministry of Agriculture, Fisheries and Food press notice, 7.6.88.

DEPARTMENT OF TRADE AND INDUSTRY RESEARCH ESTABLISHMENTS

The Secretary of State for Trade and Industry, Lord Young of Graffham, announced in the House of Lords on 7 June the results of a review into the future structure of the four research establishments of the Department of Trade and Industry (DTI): the National Physical Laboratory (NPL), the Laboratory of the Government Chemist (LGC), Warren Spring Laboratory (WSL) and the National Engineering Laboratory (NEL). In future they should concentrate on research that is required by the Government, rather than on industrially relevant research and development (R & D), but in the case of NEL, where roughly three-quarters of the work was for the benefit of industry, it would be appropriate for ownership to be transferred to the private sector.

Consideration would be given to establishing NPL, LGC, and WSL as separate agencies within the public sector, to give them greater flexibility and responsibility, and to give a similar status to the National Weights and Measures Laboratory. The Government hoped these changes would be achieved by April 1989. WSL would concentrate more heavily on environmental engineering, largely for public sector customers. Industrially relevant R & D in each of the agency establishments would be restricted to about 10 per cent of the full cost of the establishment. Such work would, in general, receive up to 50 per cent government support and would be carried out for groups of companies that had agreed to collaborate to share the benefits and the remaining cost of the work. As at present, each establishment would be able to spend on strategic research up to 10 per cent of the cost of such work carried out for the DTI.

Organisations with experience of R & D, and also NEL staff, were being invited to submit proposals to the DTI by 22 July for the development of NEL within the private sector. The Government hoped to make suitable arrangements for the continuation of NEL's work for the Government on flow measurement, or to retain that work within the DTI as part of an agency. The DTI would be prepared to continue to support industrially relevant R & D carried out at NEL by any new owner, subject to the normal criteria applied to extramural R & D.

Source: *Hansard (HL)*, Vol 49, No 138, cols 1397-8.

EUROLASER PROJECT

Companies from Britain, Denmark, the Federal Republic of Germany and Spain are to co-operate in Eurolaser, a research project to develop a high power industrial laser. The Minister of Trade and Industry, Mr Kenneth Clarke, said on 18 May that the Department of Trade and Industry would provide £4·7 million for the £17 million, five-year project, out of a total British contribution of £10·7 million. Part of the Eureka programme (see p 213, 1986), Eurolaser will be based at the Welding Institute near Cambridge, which has been involved in the investigation of laser technology for about 20 years.

Eurolaser will design, construct and test a modular 25-kilowatt carbon dioxide laser cell for cutting, welding and surface treating various metallic and non-metallic materials. Researchers from the four countries will use a sophisticated computer system to control the laser and monitor its performance, aiming at reliable operation at high power and high temperatures. Success will offer industry advantages which include greater productivity, higher quality and improved flexibility in manufacturing.

Source: Department of Trade and Industry press notice, 18.5.88.

Shorter Note

BROADCASTING STANDARDS COUNCIL

Further details of the role and functions of the new Broadcasting Standards Council (see p 335, 1987) were given in the House of Commons on 16 May by the Home Secretary, Mr Douglas Hurd. Initially the Council will be set up as a non-statutory body, receiving statutory backing at a later stage. During the pre-statutory phase it will draw up, in consultation with broadcasting authorities and other interested groups in broadcasting, cable and video, a code on the portrayal of sex and violence, and standards of taste and decency, in television and radio programmes transmitted by British broadcasters and in video works. An annual report will be prepared by the Council and presented to Parliament.

The chairman of the new Council is to be Sir William Rees-Mogg, at present chairman of the Arts Council. The Government has asked Sir William to explore with the relevant broadcasting bodies during the pre-statutory period an arrangement whereby they would make available to the Council, in advance of transmission, fictional material acquired from abroad that might give rise to special concern. The Council will also discuss with the broadcasters the best way to publicise its views on programmes. Proposals for the statutory powers of the Council will be framed by the Government in the light of these discussions and experience of the working of the Council.

Source: *Hansard,* Vol 133, No 151, cols 685-6.

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Input-output tables for the United Kingdom 1984. The latest in a series, published at roughly five-yearly intervals, on inter-industry transactions. Central Statistical Office. HMSO, £19·95. ISBN 0 11 620299 8.

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Industry, Ashdown House, 123 Victoria Street, London SW1E 6RB.

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Proposals to Amend the Law relating to Coal Mining Subsidence Compensation. Department of Energy. A consultation paper setting out proposals for coal mining subsidence legislation following publication of the White Paper in reply to the Waddilove report (see p 389, 1987). Available free from Coal Division, Department of Energy, Thames House South, Millbank, London SW1P 4QJ.

Report of the Radioactive Waste Management Advisory Sub-group on the NIREX Proposals for Deep Site Investigations. The report recommends that NIREX (the Nuclear Industry Radioactive Waste Executive) should go ahead as soon as possible on the various stages leading to the construction of a repository for the disposal of low-level and intermediate radioactive wastes at the earliest possible date. HMSO, £3·30. ISBN 0 11 752097 7.

The UK Regulation of the Transport of Radioactive Materials: Quality Assurance and Compliance Assurance. Second Report of the Advisory Committee on the Safe Transport of Radioactive Materials. It concludes that the arrangements for the regulation of the transport of radioactive materials in Britain are broadly satisfactory and that there is no evidence to provide cause for concern. HMSO, £5·80. ISBN 0 11 752087 X.

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Waterfacts. Fourth edition of the yearly handbook which gives basic statistics about the water supply industry in England and Wales. Available from the Water Authorities Association, 1 Queen Anne's Gate, London SW1H 9BT. £4. ISBN 0 947886 15 X.

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Community Care Developments. Twenty-sixth Report from the Committee of Public Accounts, Session 1987-88. HMSO, £5·10. ISBN 0 10 230088 7.

Report of a Working Group on the Monitoring and Surveillance of HIV Infection and AIDS. Contains a number of recommendations to improve existing arrangements for the reporting of test results, for studies based upon them, and for further steps to improve information about the prevalence of HIV infection and its spread. In particular, it recommends a programme of antenatal testing, based on three large samples drawn from different parts of the country, with participation being voluntary, and provision being made for unnamed testing if an individual wishes. The Government accepts all the Group's recommendations in principle and will consult interested bodies about implementation. Department of Health and Social Security. £2. ISBN 1 85197 3591.

Qualified Teacher Status: A Consultation Document. Department of Education and Science. Outlines government proposals to simplify the arrangements governing the employment in England and Wales of teachers from Scotland and Northern Ireland and from overseas and to introduce better procedures for the entry to teaching of people with relevant experience and qualifications who have not completed courses of pre-service training. Available free from Publications Despatch Centre, Department of Education and Science, Honeypot Lane, Stanmore, Middlesex HA7 1AZ.

Children Under Five: Educational Research and Evidence. A report on an evaluation of research into the education of children under five. Available from Gordon and Breach Science Publishers, 1 Bedford Square, London WC2E 9PP. £15. ISBN 2 88124 680 X.

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